



NewOcean Energy Holdings Limited  
新海能源集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號：342



環境、社會及管治報告  
ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT

2020

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## Chairman's Message

Thank you for your support to NewOcean over the years. On behalf of NewOcean Energy Holdings Limited and its subsidiaries, I am pleased to present the report on our environmental, social and governance performance for the year ended 31 December 2020.

This year has been marked by numerous challenges, from the shifting supply and demand pattern and rapid transition in energy sources, to the ongoing COVID-19 pandemic, which has presented market uncertainty in our operational regions. In light of the multifaceted business environment, NewOcean strives to enhance resilience and adaptability while upholding our vision to deliver safe, reliable, and affordable oil and gas products.

### **We emphasised occupational health and safety, as well as the wellbeing of our stakeholders across all levels of our operations.**

A series of educational and training activities were organised to enhance employees' knowledge and practical skills during the 19th "National Safety Production Month". Amidst the ongoing COVID-19 pandemic, the Group remained vigilant against public health risks by undertaking various measures. We issued policies and internal notices that detailed preventive measures against infectious respiratory diseases, provided personal hygiene products to employees, and implemented flexi-working hours by allowing employees to work from home.

### **We stayed alerted to market and regulatory challenges and strived to pave towards a low-carbon energy future.**

In light of the international call for environmental sustainability, diminishing demand for traditional energy products, and emergence of new forms of energy, the Group has completely phased out the use of heavy fuel oils and switched to very low sulphur fuel or marine gas oil in our marine bunkering businesses. We operated the city's first hydrogen refuelling station in Guangzhou and will consider devoting resources to expand potential projects by constructing more hydrogen or LNG refuelling stations. By continuously highlighting carbon emission management and pathing ways to encourage better energy mix usage, we hope to contribute and promote a low-carbon culture.

### **We maintained a balanced and healthy relationship with our stakeholders by ensuring high standards of corporate governance across all levels of our operations.**

We are committed to serving social undertakings, as well as remaining steadfast as a corporate citizen and an employer as we thrive. We ensured legal compliance when conducting operational activities. We followed a people-oriented approach by encouraging employees to explore their strengths and talent, as well as supporting community activities. We also strived for transparency through proactive stakeholder engagement.

May I take the chance here to express my gratitude for all your contribution to the Group's success in the past years, and my wish to continuously have your support.

**Shum Siu Hung**

Chairman  
9 July 2021

## About This Report

NewOcean Energy Holdings Limited (hereinafter referred to as the “Company” or “NewOcean”) along with its subsidiaries (collectively referred to as the “Group”) is pleased to present its Environmental, Social and Governance (“ESG”) Report (the “Report”). It is prepared in accordance with the “comply or explain” provision of the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) in Appendix 27 of the Main Board Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This Report complements our Annual Report 2020 and discloses environmental and social performances in our operations that are considered material to the Group. It communicates the Group’s ESG policies, initiatives, performances, and plans in the oil products business<sup>1</sup>, liquefied petroleum gas (“LPG”) business<sup>2</sup>, and real estate business<sup>3</sup>. All information has been prepared and published based on the Group’s policies, practises, official documents, or academic papers in an accurate, genuine, and transparent manner.

Unless otherwise specified, this Report covers the period from 1 January 2020 to 31 December 2020 (the “Reporting Period”). The preparation of this Report adheres to the reporting principles of “materiality”, “quantitative”, “balance”, and “consistency”.

 <b>Materiality</b>	This Report is structured based on the materiality of ESG issues, as identified, prioritised, validated and reviewed by the board of directors (the “Board”) and management during the Reporting Period. Information regarding the materiality assessment is further discussed under “Sustainability at NewOcean” - “Materiality Assessment”.
 <b>Quantitative</b>	This Report discloses quantitative key performance indicators (“KPI”) of our oil products business, LPG business, real estate business, as well as our offices and warehouses in Hong Kong, Mainland China, Singapore and Malaysia. This helps evaluate the effectiveness of our ESG policies and management systems.
 <b>Balance</b>	This Report provides an unbiased overview of the Group’s ESG performance and areas of improvement.
 <b>Consistency</b>	This Report is prepared in accordance with the ESG Guide. The methodology used to retrieve environmental KPIs is in consistency with the previous year. Further details regarding the quantification methodology and respective figures are disclosed in the “Performance Data Summary”.

We highly value reader feedback on this Report and our approach to sustainability. If you have any comments or suggestions, please share with us at [coscedept@newoceanhk.com](mailto:coscedept@newoceanhk.com). For further information regarding the Group’s corporate governance and financial performance, please refer to our Annual Report 2020.

<sup>1</sup> Oil products business refers to the marine bunkering in Singapore and Hong Kong, as well as operations in Zhuhai Gaolan Petrochemical Zone (“Zhuhai Sea Terminal” or “Terminal”).

<sup>2</sup> LPG business refers to the operations of autogas refuelling stations and LPG bottling in Guangdong Province.

<sup>3</sup> Real estate business refers to the property development project in Zhuhai, Guangdong Province.

## About NewOcean

Listed on the Stock Exchange (stock code: 0342), NewOcean is headquartered in Hong Kong and has established branches across South China and Southeast Asia region. Constituting a diversified business profile, the Group's operating and reportable segments<sup>4</sup> include the oil products business, LPG business, electronics business, as well as real estate business.

### 1. Oil Products Business



The Group engages in the sales and distribution of oil and/or chemical products to wholesale and retail customers. As of 31 December 2020, our marine bunkering operation in Hong Kong owned more than 10 bunker vessels. Our Zhuhai Sea Terminal features a first-class oil and gas wharf and 3 sets of second-class oil and gas wharf, including 4 loading and unloading berths, with a capacity of approximately 20,000 tonnes LPG depot and 70,000 tonnes oil depot.

Since 2018, the Group has established an administrative office in Singapore and leased a floating storage unit ("FSU") with a capacity of approximately 300,000 tonnes in Malaysia. It continues to serve as a procurement centre that facilitates the oil and chemical products trading business in Southeast Asia region.

### 2. LPG Business



The Group's LPG sales and distribution segment maintains a diverse customer base, including industrial customers, autogas operators, wholesale customers, bottled LPG end-users and autogas end-users.

This segment processes LPG into bottled gas in 10 bottling plants across 7 cities in Guangdong Province for domestic sourcing and distribution in South China, including Hong Kong and Macau, as well as other cities in the province. The Group also engages in the autogas refuelling business and operates 3 autogas refuelling stations predominantly in Guangzhou city, Guangdong Province.

### 3. Electronics Business



The Group engages in the trading of electronic products, such as integrated circuits and mobile phones.

### 4. Real Estate Business



The Group engages in a property investment and development project in Zhuhai city, Guangdong Province. The project features a total construction area of over 81,790 square metres, consisting 3 office blocks, 2 condominium blocks and a 3-story mall together with a basement for underground parking. The Group launched the pre-sale of 2 condominium blocks since the third quarter of 2019, whereas of 31 December 2020, more than 30 apartments were successfully pre-sold and expected to be delivered to end customers in coming year. The property sold in year 2020 related to our investment property project in Dongguan brought forward from prior year.

<sup>4</sup> As of 31 December 2020, the Group achieved a total sales volume of approximately 5,636,000 (2019: 7,465,000) tonnes, among which, the sales volume of oil products reached nearly 3,924,000 (2019: 5,617,000) tonnes, and that of LPG reached nearly 1,712,000 (2019: 1,848,000) tonnes. The electronics business recorded a revenue amounting to nearly HK\$1,652,947,000 (2019: HK\$982,736,000) while that of real estate business amounted to nearly HK\$119,500,000 (2019: Nil).

## Sustainability at NewOcean

As a responsible and ethical enterprise, NewOcean is committed to delivering clean, reliable and affordable energy products to end-users. The Group highly values the continuous support from our shareholders, customers, suppliers, employees, and the community. We strive to uphold our philosophy of sustainability, which is ingrained into five major aspects, namely Corporate Governance, Operating Practises, Environment, Employment, and Community.

These aspects are integrated into our management systems for effective control of ESG-related risks and opportunities. Such processes include identification, prioritisation, validation, and review of ESG matters. To this end, we strive to strike a balance between optimising business opportunities and respecting natural resources. Moving forward, the Group shall consider setting up an ESG-specific task force that is dedicated to managing ESG matters.



### ESG Governance

NewOcean recognises the importance of an effective ESG governance framework in forging long-term sustainable development. Our ESG governance is led by the Board, who upholds overall responsibility in overseeing and governing ESG matters. Their responsibilities include reviewing ESG policies, initiatives, as well as the progress made against ESG goals and indicators on an annual basis.

The Board delegates senior management and employees across departments to review the Group's operations, identify and report relevant risks and opportunities, as well as assist in the preparation of this Report. The reported risks and opportunities will be reviewed, evaluated, and managed by the Board through closely observing laws and regulations, relevant updates, as well as industry practises.

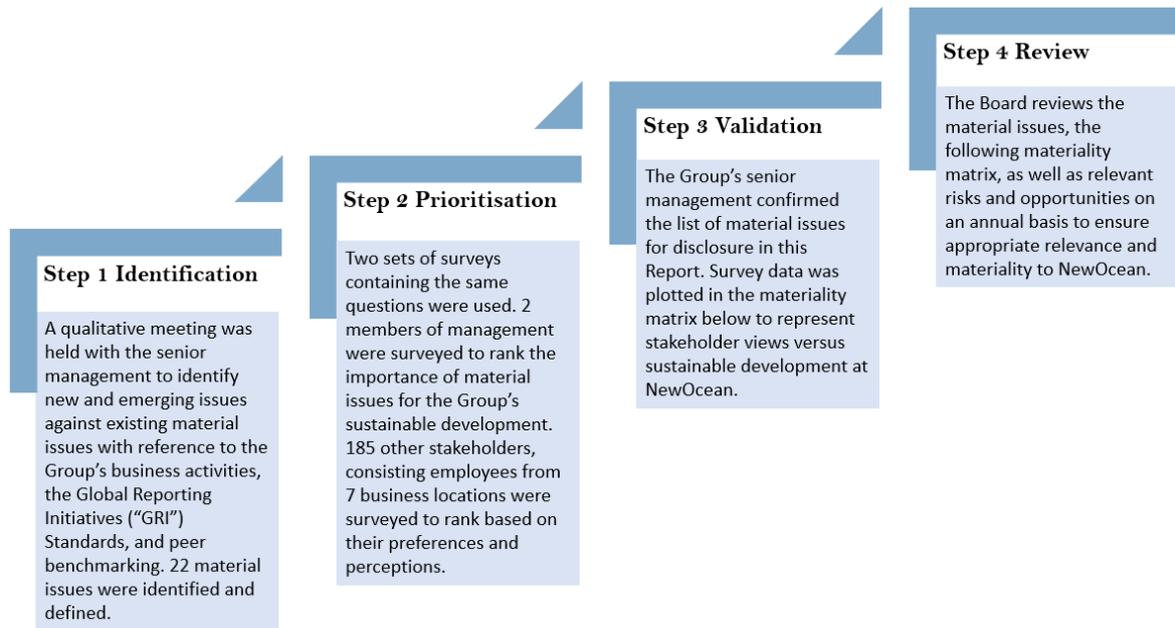
### Stakeholder Engagement

Understanding stakeholder interests and expectations enables effective examination and management of ESG matters, which strengthens their trust and support towards our business development. Through regular engagement, it allows the Group to align policy and strategy with consideration to stakeholder values. During the Reporting Period, the Group ensured that diverse channels were in place for meaningful communication.

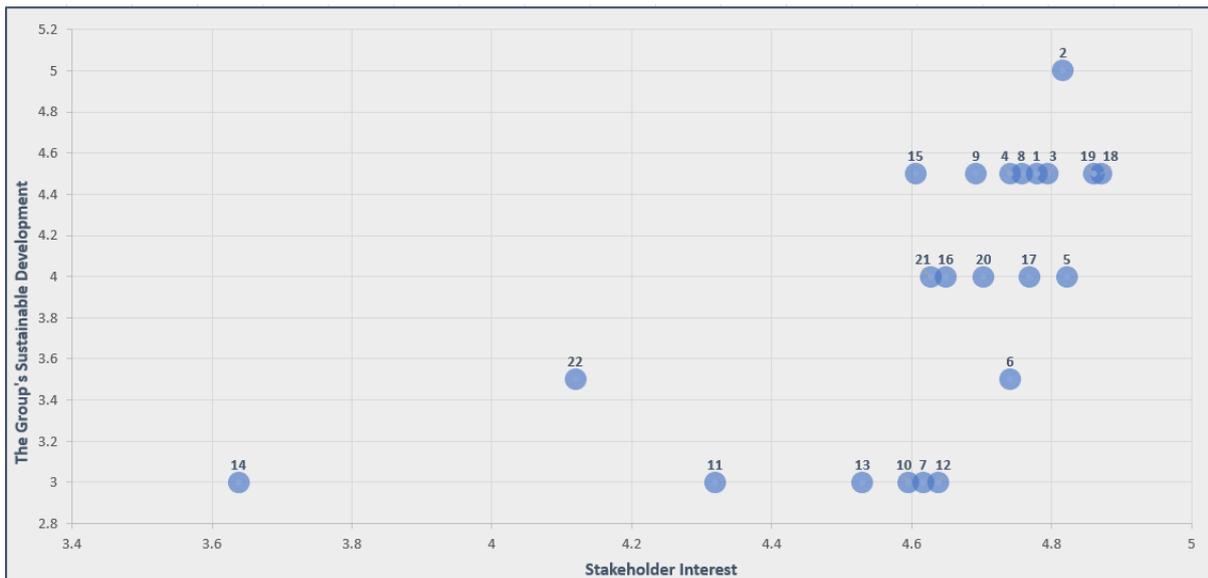
Stakeholder Group	Engagement Channel
Shareholders and Investors	<ul style="list-style-type: none"> <li>• Press release and announcements</li> <li>• Annual and interim reports</li> <li>• Annual general meetings</li> <li>• Corporate website and social media</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Personal contacts</li> <li>• Newsletters</li> <li>• Customer hotlines</li> <li>• Corporate website and social media</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Performance assessments</li> <li>• Annual renewal process and updates</li> <li>• Personal contacts</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Newsletters</li> <li>• Business meetings and conferences</li> <li>• Performance appraisals</li> <li>• Employee engagement activities</li> </ul>
Regulatory Bodies	<ul style="list-style-type: none"> <li>• Site inspections</li> <li>• Public consultations</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Charity activities</li> <li>• Volunteering activities</li> <li>• Corporate website and social media</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Corporate website and social media</li> <li>• Press releases</li> </ul>

### Materiality Assessment

During the Reporting Period, NewOcean recommissioned an independent sustainability consultancy to conduct an ESG-specific stakeholder survey. A meeting was conducted with senior management to review the past ESG performance, discuss ESG-related strategy and improvement initiatives, as well as to confirm material aspects and issues for the stakeholder survey. A 4-step approach has been adopted to assess the materiality of key ESG issues.



The materiality matrix and the table below reflect the relative importance of each issue towards the sustainable development of NewOcean against different stakeholder views. It allows us to understand the intricate relationship between the two and helps structure this Report accordingly.



Corporate Governance	Operating Practises
<ol style="list-style-type: none"> <li>1. Governance and Business Ethics</li> <li>2. Business Development</li> <li>3. Legal Compliance</li> </ol>	<ol style="list-style-type: none"> <li>4. Customer Satisfaction</li> <li>5. Product Quality</li> <li>6. Customer Privacy Protection</li> <li>7. Technological Innovation</li> <li>8. Stable Market Supply</li> <li>9. Supply Chain Relationship</li> <li>10. Procurement of Sustainable/Green Products</li> </ol>

Environment	Employment
11. Climate Change 12. Emission Control (Air, Sewage, Waste) 13. Use of Resources (Energy, Water, Other Raw Materials) 14. Wellbeing of Natural Environment/Ocean	15. Talent Recruitment/ Retainment 16. Employment Development and Training 17. Employee Rights and Wellbeing 18. Employee Health and Safety 19. Accident and Emergency Preparedness 20. Labour Standards
Community	
21. Customer and Community Health and Safety 22. Community Investment and Engagement	

The materiality assessment used an average score to assess their relative significance to the Group’s business development against stakeholders’ expectations. Assessment surveys were distributed among management of the Group, as well as employees across seven business locations, resulting in varying significance of material aspects and issues.

The sections of this Report are categorised based on different natures of business segments<sup>5</sup>. To balance stakeholder interests and expectations, ESG issues and performance disclosed under each section are prioritised based on the order ranked by stakeholders. The table below provides an overview of the top 5 ESG issues<sup>6</sup> ranked according to their significance.



<sup>5</sup> Marine Bunkering represents responses from employees in Hong Kong and Singapore; Zhuhai Sea Terminal represents responses from employees in Zhuhai; LPG Autogas Refuelling and Bottle Refilling represent responses from employees in Macau, Shenzhen, Guangdong, and Guangxi. The section “Property Development” is structured based on industry benchmarks and previous ESG Report.

<sup>6</sup> The ordering of issues only includes those which employees maintain operational control, including those from “Operating Practices”, “Environment”, and “Employment”, while excluding “Corporate Governance” and “Community”.

## Risks and Opportunities

In an era of unpredictability marked by COVID-19 and fluctuating market conditions, NewOcean strives to enhance corporate resilience through conducting risk assessment periodically. In response to the identified risks, management has closely monitored and reviewed the operational control procedures and proposed new plans of action. The Board is responsible for evaluating and determining the nature of material risks, as well as the extent to which the Group is willing to mitigate those risks. The Group is determined to reduce these risks by carrying out various mitigatory measures, and where appropriate, investigate the possibility to transform them into potential development opportunities.

### I) Outbreak of COVID-19

First identified in 2019, COVID-19 has imposed imminent threats to public health. Nationwide shutdowns have suspended businesses and social activities, dealing a heavy blow to the economy. Although COVID-19 has been generally brought under control in Mainland China, uncertainties and emergence of new cases have necessitated the Group to adopt robust pandemic prevention and control measures.

#### **Our Response**

In early February 2020, the Group implemented the Preventive Measures Against Influenza and New Infectious Respiratory Diseases. Masks and alcohol-based disinfectant were distributed to office employees. To protect the wellbeing of frontline employees whose daily responsibilities involve in-person contact with customers, masks, gloves, and protective goggles were also supplied.

All employees and visitors were required to perform body temperature checks prior to entering the company area. All personnel in the Group were reminded to maintain a social distance with one another, disinfect their personal stationery and desktops every day, as well as wash and disinfect hands whenever necessary. We also implemented flexi-working hours by allowing employees to work from home, upon obtaining approval from their general managers. To promote employee awareness, important tips and messages regarding personal hygiene and safety were communicated through internal notices.

### II) Uncertainty in the Crude Oil Markets and Debt Restructuring

#### *International*

During the first half of 2020, most economic activities were halted due to the outbreak of COVID-19. While oil producing countries did not show any signs to reduce oil outputs, the market was met with supply exceeding demand. As a result, oil prices plummeted, where the US crude oil index once plunged to a historic low. The global oil price crash had stirred up sizable negative impacts, including many leading oil companies being thrown into the chaos of liquidity issues or losses on derivative contracts.

#### *Regional*

Hin Leong Trading Private Limited (who had filed for bankruptcy in April), among others, was reportedly placed under judicial management by the Singapore courts due to defaults in payment of its loans to various banks and financial institutions. The incident had an immediate ripple effect on the oil industry as a considerable number of banks in Singapore and Hong Kong made a hasty decision to tighten the credit lines granted to energy businesses. Such an abrupt move meant a pause of support on working capital for industry players, including the Group. The Group is now under debt restructuring and is now expected to agree with the banks for a Court Scheme to repay the outstanding bank loans.

### **Our Response**

In light of the liquidity pressure, the Board has taken a proactive approach to maintain operation and improve its financial standing. Various measures have been implemented, including but not limited to:

- i) Negotiating with lenders to release the limitation imposed and extend the existing banking facilities to the Group;
- ii) Engaging an international accountancy firm to conduct an independent review of our financial position with a view to facilitate negotiations with banks for debt restructuring;
- iii) Submitting applications to the High Court of Hong Kong Special Administrative Region and the Supreme Court of Bermuda to convene meetings of the bank creditors for approving debt restructuring schemes;
- iv) Carrying out business operations with credit facilities granted by financial institutions and internal available cash. The profit is used to finance the ongoing operations the scale of which is adjusted according to the availability of resources;
- v) Expediting collections of outstanding receivables;
- vi) intensifying the sales effort of the Zhuhai property project through brokers
- vii) Downsizing the oil products business to reduce operating cost and to generate additional cash through disposal of non-core asset items for the purpose of payment; and
- viii) To explore means to raise working capital to restore the Group's business activities to a more desirable scale.

During the Reporting Period, we have been granted orders by the Hong Kong High Court and the Bermuda Supreme Court to convene meetings of our respective scheme creditors. With active steps taken to finalise the terms for the bank lenders to seek final approval, we are optimistic that the Court Scheme will bring about a successful restructuring of the Group's off-shore bank loans. In line with the progress made on debt restructure negotiations, collections actions, interests shown on the Zhuhai property project, as well as the disposal of non-core assets, the Board is optimistic that our liquidity issue can be resolved in due course. Owing to the uncertain economic outlook, the Group will further review existing business risks and optimise resource allocation. We have also come to the decision to scale down the business volumes of oil products for the journey ahead.

### III) Structural Change of LPG Market in the Mainland China

The demand for LPG for wholesale re-export remained steady in the first half of 2020. Nonetheless, that of industrial and domestic usages in Mainland China had plunged. Due to COVID-19, despite national efforts to increase domestic demand, multiple Chinese regions, including Guangdong Province (the Group's major market in the Mainland China) suffered a drop in industrial output.

Similarly, LPG demand for autogas refuelling faced an ongoing downward trend in face of the emergence of cleaner energies, such as liquefied natural gas ("LNG"), hydrogen and electricity. Adhering to the government's policy, all buses were required to switch to the use of LNG, resulting in a reduction in the consumption of LPG. The Group foresees that as new energies successfully emerge into the market, the demand for LPG in Mainland China will further reduce.

#### Our Response

The Group is determined to seize the opportunity to tap into new markets, both domestically and internationally, while consolidating its existing market. We will enhance our management towards distributors and back them with stronger support in order to improve our sales volume. As to the expansion of our business to overseas markets, we have begun wholesaling LPG to Africa two years ago. At present, we are in the search of suitable land parcels in Africa for the construction of LPG terminal gas plants and bottling plants. We aim to tap into the local end-user markets as soon as possible, which are expected to yield healthy returns on capital.

Under vigorous efforts of the Guangzhou municipal government to promote eco-friendly use of automobile power, the market demand for hydrogen is anticipated to surge substantially. In light of this, the Group transformed one of our LPG autogas refuelling stations in Huangpu District, Guangzhou city, into the city's first hydrogen refuelling station in 2019. During the Reporting Period, we launched a plan of constructing hydrogen refuelling plants as one of our blueprints for clean-energy development.

Although the Group ventured into the sales and distribution of the LNG industry a number of years ago, our development efforts remained preliminary. Moving forward, the Group will consider devoting resources to expand potential projects, for instance, the construction of LNG refuelling stations.

### IV) Unfavourable Conditions for Property Sales

The Group's property project in Gongbei district, Zhuhai city has completed the construction of building structure as well as most of the fitting out work in 2019. The project targets the Greater Bay Area market, as well as international corporations. The sales drive commenced during the Reporting Period where certain overseas buyers had been identified, with a potential buyer making an offer to acquire 1 condominium block and 1 office block. The sales plan was nonetheless delayed due to the advent of COVID-19 where national travel restrictions were imposed in China.

**Our Response**

Following the abatement of the outbreak, the Group will set about redeploying its marketing strategies and models in hope of maximising the profits netted from the sale of such prime property.

## Ethics and Integrity

The Group operates under the provisions set out in the Corporate Governance Code contained in Appendix 14 of the Main Board Listing Rules. Our expectations for all directors and employees are outlined in the Code of Discipline and the Management System. We have also adopted practises that ensure stringent control of anti-corruption, intellectual property and data protection, as well as labour standards.

Chaired by the Chairman, the Board is responsible for overseeing our management system and performance of the Audit Committee, Remuneration Committee, and Nomination Committee. They guide the Group's business practises and strategies, manage regulatory risks identified by the senior management, as well as evaluate the applicability of existing policies and measures against regulatory requirements. For more details regarding the composition of the Board, division of roles and the responsibility of each of the committees, please refer to our Annual Report 2020 and the Company's website.

### Legal Compliance

The Group is committed to complying with the Listing Rules as set out by the Stock Exchange, as well as all relevant laws and regulations across various aspects of our operations. In December 2019, the Stock Exchange issued new amendments to the ESG Guide, including the mandatory disclosure of the Board's oversight of ESG issues, management approach, among others. To enable better understanding of the improvements needed and ensure full compliance with the new requirements for future reporting, the Group has commissioned an independent sustainability consultancy to conduct a gap analysis.

Moving forward, the Group shall ensure that the 2021 ESG Report fully complies with the new Listing Rules. For more information regarding legal compliance, please refer to section "Laws and Regulations".

### Anti-Corruption

The Group adopts a zero-tolerance approach against any form of money laundering and commercial bribery, extortion and fraud with business partners, customers, suppliers, contractors and counterparts. We uphold the principle of honesty and credibility when conducting business activities to ensure fair competition. By adhering to laws and regulations and enforcing anti-corruption policies as stipulated under the Code of Conduct, all employees are prohibited from abusing their position in signing business contracts for one's own personal gain or for the benefit of friends or family.

### Minimising Internal Risks related to Proliferation Financing in Macau

In compliance with the international requirements of the United Nations Security Council Resolutions, as well as the Law on Asset Freezing Regime (No. 6/2006 of the Laws of Macau) governed by the Asset Freezing Coordination Commission of Macau, NewOcean is committed to minimising its internal risks related to terrorism, terrorist financing, and proliferation financing. We

referred to Macau government’s suggestions to examine potential risks and recommend countermeasures.

<u>Risks</u>	<u>Measures</u>
Currency Transaction	When handling huge cash transaction volumes, responsible personnel should obtain knowledge regarding respective customers’ businesses and related transactions. They are also advised to understand the source of cash and ensure it is traceable.
Alternative Remittance System	If a customer uses a non-bank account for remittance transactions, staff are reminded to be cautious and alert of the potential risk of money laundering. They are also advised to understand the source of funds.
Use of Complex Legal Entities to Hide the Ultimate Beneficial Owner	If a customer represents an overseas offshore company whose financial transactions are questionable, or when payments are paid with multiple bank accounts, staff are reminded to check with management. They might also check with respective banks on the potential risk of money laundering, whenever necessary.

The importance of maintaining a corruption-free workforce is emphasised in the Employment Contract prepared by the Human Resources Department, which is also responsible for arranging anti-corruption specific training for our directors and employees. During the Reporting Period, 123 employees (Directors: 4; General Staff: 119) have received anti-corruption trainings arranged by the Human Resources Department. Such content and its importance have also been emphasised in our daily meetings.

#### *Whistleblowing*

As a commitment to business integrity and ethical conduct, we encourage employees to report any alleged misconduct or delinquency. The Group has implemented measures for whistle-blowing purposes, as detailed in the Code of Conduct. We facilitate the processes and protect the whistle-blowers from retaliation by ensuring confidentiality and anonymity of all reported cases and reporting parties. The policy reassures that a whistle-blower will not be fired, mistreated, or suffer disciplinary punishments.

When the investigation process is initiated, all information shall remain confidential to safeguard the Group’s interests. The alleged misconduct or delinquency shall be investigated with discretion. Where criminality is suspected after investigation, disciplinary actions will be taken, including termination of employment and reporting the wrongdoing to the relevant authorities.

During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations relating to corruption, bribery, extortion, fraud, or money laundering that have a significant impact on the Group.

## Protection of Data and Other Rights

### *Data Privacy*

NewOcean is committed to protecting company and personal privacy, including trade secrets and customer information. We strive to handle, store, and file confidential information with due care in accordance with relevant laws and regulations, as well as the Code of Conduct, Information Security Management Policies and Procedures, and Employment Contract. We ensure customer rights, interests, and privacy by only using the information collected for the Group's purposes to conduct business, which will be stated at the time of collection. Transfer or disclosure of personal data to any third party without authorisation from its owner is strictly prohibited.

### IT Security

NewOcean strives to maintain a sound data security system by implementing the IT Safety Notice. Employees are reminded to safeguard electronic data through proper reporting and storing of electronic archives, and not disclosing them without the Group's consent. It also details instructions to enhance security alertness when using office computers across all our subsidiaries.

### IT Safety Notice's Instructions

- |   |   |
|---|---|
| 1 | To stay cautious against suspicious emails, and not to click nor open any links or attachments  |
| 2 | To change password of personal emails, computers, and accounting systems regularly              |
| 3 | To log out of the company server after use every day  |
| 4 | To make sure new updates of windows and antivirus softwares are installed on personal computers |

### *Intellectual Property*

The Group strives to protect intellectual property rights, including copyrights, patents, and trademarks. Subject to business needs, authorisation will be sought prior to using any third party's intellectual property. In terms of safeguarding our own intellectual property, all employees are bound by the Code of Conduct to keep trade secrets confidential and to protect other proprietary intellectual properties.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations relating to infringement of personal privacy nor violation of intellectual property rights.

## Employment and Labour Standards

At NewOcean, recruitment and promotion are based on industry experience, competency and relevant certifications regardless of ethnicity, social origin, age, religion, disability, gender, and sexual orientation. Information regarding remuneration packages and benefits, as well as the Code of Conduct are detailed in the Employee Contract. While advocating inclusivity and fairness, the Group

also strives to enforce a child and forced labour-free environment. We comply with all applicable laws and regulations and prohibit hiring of workers below 16 years old.

During the recruitment process, a comprehensive screening will be conducted by the Human Resources Department to ensure the applicant is lawfully employable. Identity documents will be examined, and relevant information will be verified through interviews and, if necessary, government information channels. The recruitment process will only begin after the applicant's identity has been verified. In the unlikely event when such practises are discovered, we will rectify the issue in accordance with relevant laws and regulations. The issue will also be properly documented and reported to the Board and regulatory body if necessary.

The Group ensures employees are given an appropriate amount of rest periods, where working hours do not exceed those stated in the Employment Contract. If any employees are required to work overtime, the amount of additional time shall not violate the period stated on the regulatory requirements. Any employees who have been subjected to unfair treatment are encouraged to report to the Group by following our whistleblowing procedures.

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations relating to labour standards. The Group also did not receive any complaint or cases relating to child or forced labour.

## Marine Bunkering

Taking advantage of the close proximity to the headquarter and major coastlines along the Pearl River Delta, our marine bunkering business in Hong Kong features oil depots and bunker vessels<sup>7</sup>. To diversify and expand our customer base, the Group had established a development blueprint and successfully tapped into the Singaporean marine bunkering market in 2017.

In 2018, the Group leased a floating storage unit (“FSU”) in Malaysia, with a capacity of 300,000 tonnes for warehousing and delivery. Our foothold in Singapore and Malaysia allowed us to enjoy lower procurement costs, as well as geographical advantages, including lower tides and being generally less prone to typhoons, storms, as well as other natural hazards.

	Hong Kong	Singapore
Trading Volume (tonnes)	672,000 (2019: 1,759,000; 2018: 1,828,000)	1,445,000 (2019: 2,770,000; 2018: 1,213,000)
Management Standards	ISO 9001, ISO 14001, OHSAS 18001, ISO 50001, ISO 45001	ISM Code, ISPS Code, ISO 9001, ISO 14001, TMSA, MARPOL, SOLAS

As we aspire to accelerate market growth and extend our strategic success, NewOcean strives to operate with priority placed in ensuring occupational health and safety, regulating the quality of oil products, providing services with professionalism, as well as fulfilling environmental responsibility. External auditors are consulted regularly to assess and ensure our management systems are up to date and fulfill industry standards and requirements.

### Occupational Health and Safety

The Group gives overriding priority to the health and safety of our employees, as well as those within our supply chain. We emphasise occupational health awareness, emergency alertness, as well as mental health while working on board.

#### *Safety Compliance Onboard*

##### Hong Kong

Our marine bunkering in Hong Kong strictly complied with applicable shipping ordinances governed by the Hong Kong Marine Department, as well as safety ordinances governed by the Hong Kong Electrical and Mechanical Services Department and the Hong Kong Fire Services Department.

<sup>7</sup> As of 31 December 2020, the Group owned 10 and leased 1 bunker vessels in support of our marine bunkering business in Hong Kong.

Pursuant to Section 15 of Merchant Shipping (Local Vessels) (Certifications and Licensing) Regulation (Cap. 548D of the Laws of Hong Kong), we acquired updated certificates for all operating vessels.

the Certificate of Survey

the Declaration of Fitness for the Carriage of Dangerous Good

the International Load Line of Certificate

the Freeboard Assignment Certificate

Since 2019, we have adopted the updated occupational health and safety management systems, namely ISO 45001. Our operations followed policies and procedures to help regulate safety conditions onboard. Safety equipment, including motor lifeboats, inflatable liferafts, buoyant apparatuses, lifejackets, lifebuoys, line-throwing appliances, rocket parachute flares, and radar transponders are in place. Their conditions are inspected on a regular basis and maintained whenever necessary.

**Work Environment/ Deck Dormitory**

- Working in Confined Space section, stipulated in the Code of Practice

**Safety Emergency**

- Guidelines on Emergency Plans and Handling Procedures

**Singapore**

Our operation at the FSU abides by the obligatory requirements listed in the International Convention for the Safety of Life at Sea ("SOLAS"), the International Life-Saving Appliance, and the Global Maritime Distress Safety System.

1	Conducting surveys and certifications annually
2	Maintaining the subdivision of passenger ships onboard so that a vessel will remain afloat and stable in the unlikely event of a damage incident
3	Maintaining fire protection, detection, and extinction equipment with detailed measures
4	Maintaining life-saving appliances and arrangements, including requirements for lifeboats, rescue boats and life jackets
5	Carrying radiocommunication equipment, including satellite Emergency Position Indicating Radio Beacons, and Search and Rescue Transponders

*Responsibilities Onboard*

**Hong Kong**

We are committed to ensuring maritime safety by detailing the responsibilities to be taken by relevant personnel, including the master, chief engineer, chief officer, and crew members. We maintained a checklist detailing actions to be taken in the unlikely event of an incident, including pipeline leakage, excessive lit, tank overflowing, hull leakage, collision, as well as hull failure.

Singapore	
NewOcean outsourced the FSU operations to a third party technical crew management service provider. As we rely on their crew members to carry out operations onboard, we delegate supervisory duties to our internal employees.	
Master	<ul style="list-style-type: none"> <li>❖ Carrying out security assessments for the port and vessel facilities</li> <li>❖ Assisting in the development, implementation and review of all security and emergency plans</li> </ul>
Shipping Supervisor	<ul style="list-style-type: none"> <li>❖ Maintaining satisfactory vessel conditions by performing inspection</li> </ul>
Safety Officer	<ul style="list-style-type: none"> <li>❖ Ensuring safe operations by               <ul style="list-style-type: none"> <li>➢ Walking through the vessel machinery and safety equipment</li> <li>➢ Monitoring safety requirements detailed on the safety checklist</li> <li>➢ Examining safety logbooks as updated weekly by the management partner's crew members</li> <li>➢ Offering recommendations for improvement</li> </ul> </li> </ul>

### *Mental Health*

NewOcean believes that work life balance is essential to promote mental health. We abided by relevant laws and regulations to standardise working hours, rest periods, as well as holidays. We also take initiatives to enhance employees' mental wellbeing through sports and recreational activities. For instance, we encouraged crew members to take part in leisure activities onboard by rendering gym facilities and table tennis game sets in our FSU vessel bunker.

### **Quality Control in Supply Chain**

NewOcean strives for excellence and stability in the supply of oil and chemical products through careful selection of business partners and stringent product sourcing.

### *Selection of Business Partners*

In operating the leased FSU in Malaysian waters, we appointed a management partner based on selection criteria such as industry experience, professionalism, management systems, cost effectiveness, and reputation. In addition to being strictly governed by policies relating to health, safety, and security, our management partner is required to comply with all relevant laws and regulations. They shall not commit any serious violations such as child or forced labour, illegal discharge of sewage and hazardous chemicals, or illicit and unauthorised trading.

The recruitment process of crew members is closely supervised and monitored by our management partner in compliance with the Maritime Labour Convention. Prior to job commencement onboard,

candidates must undergo qualification and certification screening by our management partner, as well as receive final confirmation by the Group.

NewOcean understands the impact marine transport has on the environment and is committed to minimising our footprint. We also strive to ensure that environmental issues are being incorporated into business considerations by our management partner. To this end, our management partner constantly reviews existing and pending legislation in conjunction with international requirements, including ISM Code, ISPS Code, ISO 14001, MARPOL, and SOLAS.

#### *Product Sourcing*

The Group has established oil product inspection procedures during product sourcing, as well as when a purchase order is placed. While we rely on our management partner to source basic cargo necessities for daily use, the Group is responsible for procuring oil products. A supercargo is appointed to assure the quality of oil products by supervising oil levels during the process of oil refuelling.

All procured products are stored separately until they have passed the compatibility test. Specifically, samples are extracted and sent to a third party laboratory for composition check. The oil products will only be stored onboard in the cargo oil tank for trade upon obtaining a pass in the compatibility test result. This helps to assure the credibility of our oil products and retain customer confidence and loyalty towards the Group.

#### **Serving with Professionalism and Competency**

NewOcean takes pride in providing services with a customer-oriented approach. We strive to assure product quality safely, efficiently, and professionally in compliance with ISO 9001. In the provision of oil products and services, we ensure satisfactory condition of vessels by delegating personnel to closely follow through various inspection procedures.

#### *Maintaining Vessel Conditions*

Role	Responsibility
Shipping Supervisor	❖ To perform inspection on the vessel condition once every 1 to 2 months
General Manager	❖ To conduct onboard visit, supervise, and advise on the operation procedures on an annual basis
Crew Members	❖ To inspect and report on different sustainability aspects, such as health and safety matters and environmental matters

#### *Customer Service*

In handling customer feedback and inquiries, they were responded accordingly by delegated employees from the Customer Service Department. We also took customer feedback into consideration by raising issues during management meetings, such that meaningful discussion and further actions, if deemed necessary, can be made. During the Reporting Period, the Group was not

aware of any material non-compliance with any laws and regulations relating to product responsibilities. There were however a few disputes regarding oil quantities, which have been resolved in a responsive and vigilant manner.

### Safety Training

We rely on our employees in the provision of quality services. In particular, the Human Resources Department plays a critical role in recruiting qualified and suitable personnel into the Group. In addition to hiring, the Group also strives to enhance employees' technical skills and ensure operational safety by providing internal safety training and drills on a regular basis.

#### Hong Kong

We arranged and sent relevant personnel to attend mandatory safety training in accordance with the requirements of the Hong Kong Marine Department for the continuation of various certifications and qualifications.

Course Name	Organisation	No. of Participants	Training Hours
Safety Course for Maritime Affairs	Hong Kong Safety Training Association	60	8 hours each
Oil Carrier Safety Training	Maritime Services Training Institute	60	16 hours each

### Environmental Responsibility

The global transition to a low-carbon economy has resulted in urgent calls for cleaner energy development. NewOcean endeavours to operate as an environmentally mindful enterprise when operating oil bunkering vessels. We observe relevant environmental standards, laws and regulations closely, as well as strictly prohibit the overexploitation and contamination to the environment.

#### Hong Kong

All our self-owned vessels have obtained and updated relevant certificates and test reports in compliance with Hong Kong Shipping Ordinances, as well as other relevant laws and regulations. All personnel on board are prohibited to smoke to maintain vessel air quality and safety. In managing environmental impact, we have acquired the following certificates for respective vessels as required.

the Hong Kong Air Pollution Prevention Ordinance

the International Air Pollution Prevention Ordinance

the Hong Kong Oil Pollution Prevention Certificate and Supplement

the International Oil Pollution Prevention Certificate

### Climate Change

With the aim to reduce sulphur oxide content, as well as to prevent acid rain, combat ocean acidification and ultimately protect public health, the International Maritime Organisation (the “IMO”) has regulated the reduction of sulphur oxides by 85% among all seagoing vessels. To achieve this, all vessels must adopt marine fuels with a maximum sulphur content of 0.5% compared to the current limit of 3.5% from January 1, 2020 onwards (the “IMO 2020”).

Hong Kong	Singapore
<b>IMO 2020</b>	

In preparation for the transition towards the IMO 2020 regulation, the Group had phased out the use of heavy fuel oils in all Group-owned and leased vessels, and switched to a Very Low Sulphur Fuel (“VLSF”) or marine gas oil (“MGO”) since October 2019. During the Reporting Period, we have successfully transitioned ourselves from using heavy fuel oils to using, purchasing and reselling VLSF.

NOx Technical Code 2018	Certificate of Quality
We installed main and auxiliary vessel engines. Filters were also equipped in vessel chimneys with regular cleaning maintenance conducted to minimise emissions of particulate matters.	We authorised a third-party assurance laboratory to conduct tests on ship tanks on an annual basis before loading. A total of 19 elements <sup>8</sup> were being tested during the Reporting Period, where all of them were within the national regulated amount.

### Promotion of Environmentally-Friendly Practises

All personnel of NewOcean, including employees directly hired by the Group, as well as crew members hired by our management partner, are required to adhere to the internal Environmental Health and Safety Policy.

Hong Kong	Singapore
<b>Environmental Health and Safety Policy</b>	

- ❖ To implement the effective use of innovative and environmental technologies and practises into our services
- ❖ To place energy saving tips on noticeable areas across the vessels to remind crew members to turn off electronic appliances and equipment when not in use
- ❖ To protect people and assets through identification of any foreseeable hazards
- ❖ To prevent pollution by promoting 3Rs (Reducing, Reusing, Recycling) attitude, and striving to minimise waste and resource consumption

<sup>8</sup> Density, kinematic viscosity, flash point, pour point, water by distillation, sulphur, micro carbon residue, sediment accelerated, sediment potential, ash, vanadium, aluminium silicon, zinc, phosphorus, calcium, sodium, calculated carbon aromaticity index, hydrogen sulphide, and acid number.

- ❖ To promote environmentally friendly and safe transportation options and facilities
- ❖ To promote the use of recyclable materials and purchase environmentally friendly products
- ❖ To implement training programmes for all crew members to communicate our policy

### *Waste Management*

NewOcean strives to generate minimal waste onboard by practicing categorisation and separation of waste. In both Hong Kong and Singapore, we have outsourced waste to licensed third party collectors for further handling and disposal. Internally, we have implemented procedures to ensure safe and risk-free collection processes.

Hazardous Oil Residue/ Sludge	<ul style="list-style-type: none"><li>❖ To ensure pipes are spill-free by periodically testing the pressure level</li><li>❖ To process hazardous oil residue or sludge through a fuel oil purifier to our sludge tank before being collected by batch</li></ul>
Food Waste and other Non- Decomposable Waste	<ul style="list-style-type: none"><li>❖ To obtain the Garbage Disposal Certificate, where plastic, food waste, domestic waste, cooking oil, and incinerator ashes were categorised, collected and removed ashore for disposal</li></ul>

## Zhuhai Sea Terminal

The Group’s operation at the Zhuhai Sea Terminal is guided by six management principles. To achieve this, we emphasise occupational safety, knowledge and skills of employees, as well as fulfilling environmental responsibility.

People-Oriented	Holistic Management
Health and Safety	Green Development
Prevention First	Green and Sustainable Development

### Occupational Health and Safety

Chaired by the Managing Director of NewOcean, the Safety Production Management Committee is responsible for the overall governance and compliance assurance of our safety management. The Committee delegates the General Manager of Zhuhai Sea Terminal to chair the Safety Production Leadership Team, who reports directly to the committee. The team ensures all our internal policies are being communicated effectively to all employees.

Policy	Purpose
Rules and Regulations	❖ Safety management policies, code of conduct, objectives and operating procedures are to be disclosed at the Zhuhai Sea Terminal
Emergency Plan for Production Safety Accidents	❖ To regularly audit emergency plans, organise safety training and drills, and evaluate safety risks or occurred incidents

### Lesson from the 1.14 Changlian Chemical Explosion Accident

On 14 January 2020, a flash explosion incident at one of the oil refinery units of our industry peers, the Zhuhai Changlian Petrochemical Company Limited was reported. The incident has raised public awareness towards safety issues in the oil and gas industry and has come to the Group’s concern that we shall also stay alerted to avoid the unlikely occurrence of similar event at NewOcean.



The Safety Committee communicated the accident to Internal Safety Managers through the internal WeChat group. A case study report was prepared to spread awareness on safety hazards among employees across all gas production units. During the Reporting Period, the Group also conducted Safety Production Inspections on a quarterly basis. This helped to enhance employees’ safety alertness and ensure safe storage of oil and gas products.

### COVID-19 Prevention and Control

To prepare for the resumption of production and work after the Lunar New Year, the Group proactively procured anti-epidemic items to safeguard the wellbeing of our employees, including masks, thermometers, disinfectants, and hand sanitisers. Prior to entering the Terminal, all personnel are required to perform body temperature checks. The Group strived to enhance employees' infection prevention and control awareness by preparing posters, notices, as well as telecommunication materials for distribution and sharing.



In order to maintain social distancing, the Group cancelled and postponed unnecessary group activities, including all safety meetings, which were subsequently conducted via WeChat. We divided employees into different batches to have their lunch at our canteen under pre-arranged time slots, where they were required to maintain a certain distance from one another. Ventilation was also maintained.

Disinfectant works were carried out twice per day in different areas of Zhuhai Sea Terminal, including offices, security rooms, public toilets, canteens, commuter vehicles, dock platforms, loading platforms, and central control rooms, among others.

### Knowledge and Skills Cultivation

The Group strives to cultivate safety-related awareness through providing training and learning opportunities. All new recruits are required to take part in our mandatory induction training, in which they are introduced to relevant laws and regulations, company objectives, goals and policies, management systems, emergency plans, as well as preventive measures. For workers such as LPG operators, electricians, and welders, they are required to attend specialty training and acquire relevant operational certificates prior to work commencement.



In the 19th “National Safety Production Month”, the Group signed the “Safety Production Management Authorisation Letter”. A series of education and training activities were organised to enhance employees' knowledge and practical skills regarding production safety.

### *Safety Promotion*

Our Safety Production Leadership Team conducted meetings and mobilised volunteers to promote the Safety Production Month, and Safety First at work. We have formed the Safety Production Month Activity Leadership Group, led by the General Manager of the Zhuhai Sea Terminal. With our Operations Director as Deputy Team Leader, 13 Deputy Managers from different departments were appointed as core members of the Group. Altogether, 7 community safety promotion events were organised, where more than 13,500 promotion brochures with details of upcoming education and training activities were distributed.



### *Safety Inspection*

During the Reporting Period, the Group has conducted investigations on safety hazards, where onsite operators were inquired about their daily operating procedures, to ensure they align with our internal guidelines and are aware of safety issues.



### *Safety Examination*

A study class on the Measures for Safety Management of Dangerous Goods by Road Transportation, and the Safety Knowledge Examination on Safety Production Law examination were organised for around 350 employees at our refuelling stations. Through learning, training, and examinations, employees gained an in-depth understanding of safety production regulations and job safety knowledge.

### *Safety Competition*

On June 22, an emergency skills competition was organised by the Zhuhai Municipal Transportation Bureau, where port area dangerous cargo storage enterprises were invited. The Group arranged 8 employees from the Zhuhai Sea Terminal to join the competition as a team.

The competition consisted of a safety theoretical knowledge written assessment, safety demonstration in putting on protective uniform and air-breathing apparatus, as well as plugging pipe cards. Our representative team came in third place in the Group Performance Award, while one of the team members was placed first in the safety theoretical knowledge written assessment.



## Environmental Responsibility

Our Zhuhai Sea Terminal operations are committed to environmental responsibility. The Quality Control Protocol is enforced throughout the entire purchase and trading processes, including procurement, storage, production, transportation, price control, and resource management.

By establishing the LPG Desulphurisation Operational Process and Management Regulations, the content limit of sulphur compounds, water content, and quality of our oil and gas products are regulated. Sample testing is also conducted regularly to prohibit the containment of environmental polluting content, such as dimethyl ether, in our LPG products. During the Reporting Period, the Zhuhai Sea Terminal monitored three major discharges and ensured that they had been properly treated before discharge, in accordance with regulatory requirements.

Discharge	Measure
Wastewater	<ul style="list-style-type: none"> <li>❖ To ensure our LPG storage depots produce minimal wastewater through periodic maintenance once every 5 years</li> <li>❖ To collect and process production wastewater through a gasification cycle</li> <li>❖ To test the processed wastewater by a licensed hazardous waste treatment station</li> <li>❖ To ensure domestic sewage is processed through the sewage treatment system prior to discharge into the municipal sewage pipe network, with adherence to the Guangdong Province Discharge Limits of Water Pollutants (DB44/26- 2001)</li> </ul>
Air Pollutants	<ul style="list-style-type: none"> <li>❖ To ensure oil and gas is properly maintained by storing and transporting in a pressurised depot to prevent air pollution leakage during transportation and filling processes</li> </ul>
Solid Waste	<p>Hazardous Wastes and Sludge</p> <ul style="list-style-type: none"> <li>❖ To process hazardous waste generated by desulphurisation process of oil and gas according to the LPG Desulphurisation Operational Process and Management Regulations</li> <li>❖ To engage a licensed hazardous waste collector for the collection and proper disposal</li> </ul> <p>Domestic Wastes</p> <ul style="list-style-type: none"> <li>❖ To practise waste separation and categorisation into recyclables and non-recyclables</li> <li>❖ To engage a licensed waste collector for the collection and further disposal</li> </ul>

## LPG Business

The Group engages in LPG autogas refuelling and bottle filling businesses in Guangdong Province, China. We strive to ensure the credibility and quality of our LPG products, in order to deliver services in a safe, efficient and reliable manner. In response to the global drive towards a low-carbon economy, as well as the call for cleaner fuel use of autobuses from the Guangzhou Municipal Government, the Group strives to adjust to market demands and enhance our competitiveness through market innovation.

<b>Autogas Refuelling</b>	❖ A one-stop refueling service is provided to LPG operated vehicles, such as buses and taxis at our refuelling stations
<b>Bottle Filling</b>	❖ LPG is filled in cylinders in our bottling plants, then supplied and delivered to end-users

### Occupational Health and Safety

Our LPG business strives to safeguard the health and safety of all stakeholders, including employees, customers, and the community at large. We require all technical workers to obtain specific job-relevant licenses and certificates. Verification and review against their qualifications will regularly be conducted. In addition, we carried out safety inspections, safety committee meetings, and emergency drills, as well as arranged and organised safety training programmes to enhance employees' safety awareness. We also ensured that all LPG storage installations were maintained and operated in a safe condition for the prevention of fire, explosion or other danger arising from the installation.

#### *COVID-19 Prevention and Control*

<b>Autogas Refuelling</b>	
<p>In order to facilitate employees' work preparedness and pandemic alertness after the Lunar New Year holiday, the annual Attending the Class Together Training Programme was organised digitally through WeChat for the very first time. Hosted by the General Manager, the event discussed arrangements on the safe resumption of work and production. Safety training was conducted through presentation slides and video conferences. In total, 216 employees participated in this year's programme.</p> <p>The Group has established a Safety Assurance Team and formulated the Emergency Plan for Acute Infectious Diseases. The team was responsible for:</p>	
<b>1</b>	Coordinating and arranging the procurement of anti-epidemic items, such as disinfectants, protective masks and sanitisers
<b>2</b>	Strictly performing temperature checks against all personnel entering the gas station, while employees shall also record their body temperature for future reference

3	Ensuring that all employees wear protective masks during work, and avoiding face-to-face contact with all customers
4	Encouraging the use of WeChat and electronic payment collections to minimise contact with banknotes
5	Ensuring disinfection work is regularly performed

*Highlights from the 19th “National Safety Production Month”*

Autogas Refuelling	
<u>Event</u>	<u>Description</u>
<p>Safety Inspections</p> 	<p>Inspections against the criteria listed on the Gas Station Situation Assessment Form were conducted. All safety hazards discovered in the inspections were rectified in time.</p>
<p>Emergency Drill</p> 	<p>Emergencies drills were conducted at all gas filling stations, simulating situations such as ① an explosion accident caused by LPG leakage during tanker unloading; ② pipeline leakage in the valve well under the gas engine; ③ anti-terrorism drill; and ④ leakage event at the liquid root flange of the storage tank.</p>

Bottle Filling	
<u>Event</u>	<u>Description</u>
<p>Emergency Drill</p> 	<p>A LPG leakage simulation event, followed by drainage and firefighting drills were conducted to test the efficiency and reliability of each unit's emergency rescue capabilities and responsiveness, as well as their skills in using emergency equipment.</p>
<p>Safety Inspections</p> 	<p>Cooperated with the teams of Urban Administrative and Law Enforcement Bureau at Guangming District, Bao'an District, and Longhua District in carrying out safety inspections on industrial and domestic gas users. Safety hazards found during the inspection were raised to notify users with onsite guidance and demonstration.</p>
<p>Promotional Activity</p> 	<p>Promotional brochures on the safe usage of LPG as well as small gifts were distributed to users. Altogether 2,100 brochures have been distributed.</p>

## Product Responsibility

Bottle Filling
<p>NewOcean dedicates ample effort to ensure the quality of bottled gas, as well as to safeguard the wellbeing of our end-users. As a Registered Gas Supply Company in Hong Kong, we operate in accordance with the Gas Safety (Registration of Gas Supply Companies) Regulations (Cap. 51E of the Laws of Hong Kong). Checks and controls are mandated when cylinders are returned to the bottling plant by other contracted bottled gas distributors, before and after the cylinders have been refilled.</p> <p>The Group also ensures that all our distributors are Registered Gas Supply Companies for Liquefied Petroleum Gas Cylinder Distribution in Hong Kong, where all of them shall conduct business at a retail store. We maintain a record of the Bottled LPG Distributor Assessment. It adopts a penalty system to annually examine their qualifications for re-appointment. Random household inspections are also conducted to ensure LPG cylinders are delivered in a responsible and safe manner.</p>

### Utilising Technology

Bottle Filling	
<p>Since 2015, our bottle refilling plants in Guangzhou took advantage of technological advancement and implemented the Guangzhou City Liquefied Petroleum Gas Bottle Supply Smart Monitoring Information Platform.</p>	
Item	Description
User Card	<ul style="list-style-type: none"> <li>❖ Customers can trace their purchase records online</li> <li>❖ To facilitate the sales process as customers can repurchase LPG bottled gas in any sales branches</li> </ul>
QR Code System	<ul style="list-style-type: none"> <li>❖ To be printed and placed onto every LPG cylinder bottle supplied by NewOcean</li> <li>❖ To allow information dissemination and enhance overall customer experience as they can track the bottle weight before and after refilling, previous inspection date, and other relevant information</li> <li>❖ To help standardise the supply of LPG bottled gas, wipe out illegal or improper distribution or usage, and to track down scrapped bottles and expired bottles efficiently.</li> </ul>

### Environmental Commitment

Vehicles have become an indispensable means of transportation; the use has been however accompanied by the production of exhaust emissions and atmospheric pollution. As we aspire to share the common vision with the central government to foster a cleaner future for automobiles, we reconstructed one of our LPG autogas refuelling stations in Huangpu district, Guangzhou city, into a hydrogen refuelling station in the previous year.

The city's first hydrogen refuelling station facilitated the refuelling process among hydrogen vehicles, which are considered to be more energy efficient, environmentally-friendly, and safe. The station spans 4,300 square metres and is capable of refuelling up to 1,500 kg of hydrogen per day, which is equivalent to the hydrogen supply capacity of 360 8-tonne logistic vehicles, or 150 autobuses.

Although the hydrogen refuelling was deemed under-use among end-users during the Reporting Period, the Group foresees an increasing adoption of hydrogen fuel in the automobile industry. We have launched a plan of constructing hydrogen refueling plants as one of our blueprints for clean-energy development. We also plan to purchase more hydrogen vehicles to facilitate the Group's operations in the near future.

## Property Development

The Group's property development project in Zhuhai presents relatively less significant ESG impact compared to our oil and gas businesses. We are, nonetheless, committed to paying meticulous attention to ensuring occupational health and safety, as well as operational responsibility.

### Occupational Health and Safety

To maintain healthy and hygienic conditions at the construction site, the Group has formulated the Environmental Protection and Hygiene Management System at the Construction Site. We strive to keep equipment clean, tightened, lubricated, adjusted and corrosive-free. Monthly inspections on scaffolding, material lifts and mortar mixers are conducted, to ensure safe condition of equipment. Such records are documented and maintained for future reference.

#### *Safety Awareness and Inspection*

Prior to job commencement, all construction workers are required to join the mandatory safety education training programme. It introduces relevant safety-related information, as well as operational procedures such as the use of personal protective equipment.

To promote operational safety, we maintain a reward and penalty system and regularly announce a list of personnel to be rewarded and warned. To maintain the system, we delegated responsible personnel to conduct regular inspections.

Role	Responsibility
Project Manager	<ul style="list-style-type: none"> <li>❖ To conduct monthly inspection</li> <li>❖ To report and advise the safety work amendments to each department accordingly</li> </ul>
Foreman of Safety Leader Team	<ul style="list-style-type: none"> <li>❖ To conduct general safety inspection on a daily basis</li> </ul>

#### *Emergency Response*

The Group has formulated the internal Fire Safety Policy which details responsibilities of employees in case of a fire accident.

Situation	Measure
Daily Precautions	<ul style="list-style-type: none"> <li>❖ Fire extinguishing equipment are located in prominent areas, including carpentry sheds, warehouses and dormitories</li> <li>❖ To regularly inspect the equipment to ensure safety, reliability, and readiness to use</li> <li>❖ To review preventive measures regularly and update if necessary</li> </ul>

Event of an Incident

- ❖ To follow the Casualty Reporting System to report, investigate and handle the situation in a timely manner

### Operational Responsibility

We strive for quality, productivity and efficiency in the execution and timely delivery of our property development project by adherence to relevant laws and regulations, as well as internal policies. We also required all onsite workers to familiarise themselves with the Group's safety manuals for operating machineries and equipment.

#### *Technical Execution*

In compliance with the Technical Code for Glass Curtain Wall Engineering (JGJ 102-2013) and the Technical Code for Metal and Stone Curtain Wall Engineering (JGJ 133- 2013), the Group has formulated the Technical Disclosure System for the Safety of the Construction Project. Onsite workers are advised to pay close attention to the conditions under which an operation is deemed safe, such as equipment necessary for working at height and precautions to be taken under severe weather.

The Group has formulated the Guidelines on Construction Machinery Acceptance Inspection and Maintenance, and the Manual on the Use of Construction Crane for the technical operation of tower cranes and other construction machinery. Regulated procedures are to be followed to inspect all equipment before entering the construction site.

## Community

NewOcean values meaningful interactions and is committed to contributing to the community. We strive to forge a harmonious society by being an employer of choice, as well as by spreading love during these difficult times.

### Caring for our People

The Group adopts an employee-oriented approach by implementing good human resource management practices. We strive to understand employees' needs and ensure our employment policies help to facilitate their work and family needs. During the Reporting Period, the Group was awarded the Good Employer Charter and the Good MPF Employer.



### Spreading Love During COVID-19

In early March, the Group gathered volunteers and organised a donation event to aid the underprivileged who were affected by COVID-19. The event gathered and donated RMB¥1,050, 10 boxes of mineral water, 10 boxes of noodles and 200 masks to the Nancun Village Committee of Qixing District.

## Laws and Regulations

NewOcean recognises the importance of an effective governance system to maintain its leading position in the oil and gas industry. We use our best endeavours to ensure diligence by closely observing internal policies and procedures, as well as strictly complying with regulatory requirements. The following table lists all relevant laws and regulations across different regions that we have rigorously adhered to during the Reporting Period, including Hong Kong, Macau, Mainland China, and Southeast Asia.

### Environmental

- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong)
- Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)
- Waste Disposal (Chemical Waste) (General) Regulation (Section 33, Cap. 354 of the Laws of Hong Kong)
- Merchant Shipping (Prevention and Control of Pollution) Ordinance (Cap. 413 of the Laws of Hong Kong)
- Merchant Shipping (Liability and Compensation for Oil Pollution) Ordinance (Cap. 414 of the Laws of Hong Kong)
- Environmental Protection Law of the People's Republic of China
- Port Law of the People's Republic of China
- Regulation of the People's Republic of China on Road Transport
- National Standards on Liquefied Petroleum Gases (GB11174/1998)
- Sampling Method for Liquefied Petroleum Gas (SH/T 0233-1992)
- Environmental Protection and Management Act (Cap. 94A of the Laws of Malaysia)

### Social

#### **Corporate Governance**

- Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)
- Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)
- Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)
- Company Law of the People's Republic of China
- Criminal Law of the People's Republic of China
- Labour Law of the People's Republic of China
- Companies Act (Cap. 50 of the Laws of Singapore)
- Prevention of Corruption Act (Cap. 241 of the Laws of Singapore)
- Employment (Child and Young Persons) Regulations under the Employment Act (Cap. 91 of the Laws of Singapore)
- Company Act (Act. 125 of the Laws of Malaysia)
- Sale of Goods Act (Sec. 382 of the Laws of Malaysia)

#### **Occupational Health and Safety**

- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Fire Services Ordinance (Cap. 95 of the Laws of Hong Kong)
- Merchant Shipping (Safety) Ordinance (Cap. 369 of the Laws of Hong Kong)
- Merchant Shipping (Seafarers) Ordinance (Cap. 478 of the Laws of Hong Kong)
- Merchant Shipping (Local Vessels) Ordinance (Cap. 548 of the Laws of Hong Kong)
- Dangerous Goods Ordinance (Cap. 295 of the Laws of Hong Kong)
- Road Traffic Safety Law of the People's Republic of China
- Production Safety Law of the People's Republic of China
- Fire Control Law of the People's Republic of China
- Maritime Traffic Safety Law of the People's Republic of China

- Law of the People's Republic of China on Prevention and Control of Occupational Diseases
- Regulation on the Safety Management of Hazardous Chemicals
- Construction Law of the People's Republic of China
- Technical Code for Glass Curtain Wall Engineering (JGJ 102-2013)
- Technical Code for Metal and Stone Curtain Wall Engineering (JGJ 133-2013)
- Technical code for Safety of Temporary Electrification on Construction Site (JGJ46-2005)
- Workplace Safety and Health Act (Cap. 354A of the Laws of Singapore)
- Occupational Safety and Health Act (Act 514 of the Laws of Malaysia)

***Employment***

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)
- Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong)
- Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Employment Act (Cap. 91 of the Laws of Singapore)
- Employment Act (Act 265 of the Laws of Malaysia)

## Performance Data Summary

Key Performance Indicators	Unit	2019	2020
<b>Environmental</b>			
GHG Emission – Scope 1	tCO <sub>2</sub> -e	16,592.40	17,001.08
GHG Emission – Scope 2	tCO <sub>2</sub> -e	2,268.55	1,415.82
GHG Emissions (Scope 1 & 2)	tCO <sub>2</sub> -e	18,860.95	18,416.90
GHG Emission Intensity by Sales Volume <sup>9</sup>	kgCO <sub>2</sub> -e/ tonne	2.53	3.27
Marine Fuel Oil Usage	Tonne	4,876.73	4,966.75
Diesel Usage	Tonne	654.29	756.59
Petroleum Usage	Tonne	181.59	149.89
Electricity Usage	MWh	2,731.91	1,718.88
Total Energy Usage	GJ	231,060.24	233,481.97
Energy Usage Intensity by Sales Volume	GJ/ tonne	0.03	0.04
Water Usage	m <sup>3</sup>	42,768.94 <sup>10</sup>	74,473.33
Water Usage Intensity by Sales Volume	m <sup>3</sup> / tonne	0.01	0.01
Paper Usage	tonne	N/A	1.81
Hazardous Waste	tonne	N/A	78.84
<b>Social</b>			
Total Workforce	Person	1,222	957
Male	Person	843	723
Female	Person	379	234
15-20	Person	1	5
21-30	Person	115	70
31-40	Person	472	325
41-50	Person	440	369
51-60	Person	159	160
>60	Person	34	28
Singapore	Person	31	17
The PRC	Person	997	762
Hong Kong	Person	169	138
Macau	Person	45	43
Management and Administration	Person	188	167
Safety and Technical Support	Person	88	43
Production and Operation	Person	716	515
Procurement and Logistic	Person	109	157
Sales and Development	Person	121	75
New Recruits	Person	172	108
<i>Employees Trained by</i>			
Male	%	N/A	47.58
Female	%	N/A	41.89
Management and Administration	%	N/A	54.49
Safety and Technical Support	%	N/A	51.16
Production and Operation	%	N/A	40.39
Procurement and Logistic	%	N/A	59.24
Sales and Development	%	N/A	37.33
Total Training Hours	Hour	18,128.60	9,654.00
Average Training Hours per Employee	Hour	14.84	10.09
<i>Average Training Hour(s) by</i>			
Male	Hour	N/A	9.46
Female	Hour	N/A	12.04
Management and Administration	Hour	N/A	8.80
Safety and Technical Support	Hour	N/A	19.56
Production and Operation	Hour	N/A	9.24
Procurement and Logistic	Hour	N/A	11.67
Sales and Development	Hour	N/A	10.24
Work-Related Injury	Case	8	4
Lost Days	Day	35	154
Work Fatalities	Person	0	1

<sup>9</sup> The sales volume is represented by the total volume of oil products and LPG sales, which equal approximately to 5,636,000 tonnes (2019: 7,465,000 tonnes).

<sup>10</sup> The consumption figure and its respective intensity have been recalculated for meaningful comparison.

## ESG Guide Content Index

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Marine Bunkering - Environmental Responsibility; Zhuhai Sea Terminal - Environmental Responsibility; LPG Business - Environmental Commitment; Laws and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	The Group is committed to minimising emissions by regulating our operations in accordance with industry standards and regulatory requirements. Moving forward, we shall establish emission targets and initiate steps to achieve them.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Marine Bunkering - Environmental Responsibility; Zhuhai Sea Terminal - Environmental Responsibility
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Marine Bunkering - Environmental Responsibility; LPG Business - Environmental Commitment; Laws and Regulations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	The Group is committed to the efficient energy use by regulating our operations in accordance with industry standards and regulatory requirements. Moving forward, we shall establish energy use efficiency targets and initiate steps to achieve them.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	The Group did not encounter any issue in sourcing water that is fit for purpose. We are committed to water efficiency by regulating our operation in accordance with industry standards and regulatory requirements. Moving forward, we shall establish water efficiency targets and initiate steps to achieve them.

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations did not involve the use of packaging material.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Marine Bunkering - Environmental Responsibility; Zhuhai Sea Terminal - Environmental Responsibility; LPG Business - Environmental Commitment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Marine Bunkering - Environmental Responsibility; Zhuhai Sea Terminal - Environmental Responsibility; LPG Business - Environmental Commitment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainability at NewOcean - Risks and Opportunities; LPG Business - Environmental Commitment
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Sustainability at NewOcean - Risks and Opportunities; LPG Business - Environmental Commitment
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Ethics and Integrity - Employment and Labour Standards; Laws and Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Marine Bunkering - Occupational Health and Safety; Zhuhai Sea Terminal - Occupational Health and Safety; LPG Business - Occupational Health and Safety; Property Development - Occupational Health and Safety; Laws and Regulations
KPI B2.1	Number and rate of work-related fatalities.	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Marine Bunkering - Occupational Health and Safety; Zhuhai Sea Terminal - Occupational Health and Safety; LPG Business - Occupational Health and Safety; Property Development - Occupational Health and Safety; Laws and Regulations
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Marine Bunkering - Professionalism and Competency; Zhuhai Sea Terminal - Knowledge and Skills Cultivation; LPG Business - Occupational Health and Safety
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category	Performance Data Summary
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Ethics and Integrity - Labour Standards; Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Ethics and Integrity - Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Ethics and Integrity - Labour Standards
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainability at NewOcean - Risks and Opportunities; Marine Bunkering - Quality Control in Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Performance Data Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Marine Bunkering - Quality Control in Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainability at NewOcean - Risks and Opportunities; Marine Bunkering - Quality Control in Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainability at NewOcean - Risks and Opportunities; Marine Bunkering - Quality Control in Supply Chain

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Ethics and Integrity - Protection of Data Privacy and Other Rights; Marine Bunkering - Serving with Professionalism and Competency; LPG Business - Product Responsibility; Property Development - Operational Responsibility; Laws and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Zero.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Zero.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Ethics and Integrity - Protection of Data Privacy and Other Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Marine Bunkering - Serving with Professionalism and Competency; LPG Business - Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Ethics and Integrity - Protection of Data Privacy and Other Rights
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethics and Integrity - Anti-Corruption; Laws and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Zero.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethics and Integrity - Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethics and Integrity - Anti-Corruption
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community - Caring for our People, Spreading Love During COVID-19
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community - Caring for our People, Spreading Love During COVID-19
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community - Caring for our People, Spreading Love During COVID-19