



NewOcean Green Energy Holdings Limited

(新海環保能源集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 342)

AUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2004

The Board of Directors (the “Board”) of NewOcean Green Energy Holdings Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended December 31, 2004 together with comparative figures for the year ended December 31, 2003 as follows:—

CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	1.1.2004 to 31.12.2004 HK\$'000	1.1.2003 to 31.12.2003 HK\$'000
Turnover	<i>1</i>	1,023,782	446,802
Cost of sales		(944,016)	(388,868)
Gross profit		79,766	57,934
Other operating income		1,586	2,692
Selling and distribution expenses		(8,767)	(5,763)
Administrative expenses		(36,145)	(26,284)
Loss on disposals and write-offs of property, plant and equipment		—	(112)
Recognition of impairment loss in property, plant and equipment		—	(1,574)
Recognition of impairment loss on goodwill of a subsidiary		(6,555)	(6,316)
Profit from operations	<i>2</i>	29,885	20,577
Finance costs		(3,080)	(3,430)
Share of results of a jointly controlled entity		(644)	—
Profit before taxation		26,161	17,147
Taxation charge	<i>3</i>	(6,217)	(214)
Profit before minority interests		19,944	16,933
Minority interests		234	118
Net profit for the year		20,178	17,051
Dividend	<i>4</i>	4,817	3,853
Earnings per share	<i>5</i>		
Basic		4.38 cents	5.21 cents
Diluted		4.33 cents	5.21 cents

Notes

1. TURNOVER

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, for the year, and is analysed as follows:

	1.1.2004 to 31.12.2004	1.1.2003 to 31.12.2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale and distribution of liquefied petroleum gas ("LPG")	949,656	428,714
Sale of electronic products	69,496	14,769
Leasing of investment properties, property, plant and equipment	4,630	3,319
	<u>1,023,782</u>	<u>446,802</u>

Business and Geographical Segments

The Group is principally engaged in sale and distribution of LPG, sale of electronic products and leasing of property, plant and equipment. These businesses are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

Business segments

Income statement

For the year ended December 31, 2004:

	Sale and distribution of LPG	Sale of electronic products	Leasing of investment properties, property, plant and equipment	Unallocated	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenues	<u>949,656</u>	<u>69,496</u>	<u>4,630</u>	<u>—</u>	<u>1,023,782</u>
Segment results	33,676	10,470	(1,732)	1,586	44,000
Amortisation of intangible assets	(2,462)	—	—	—	(2,462)
Recognition of impairment loss on goodwill of a subsidiary	(6,555)	—	—	—	(6,555)
Unallocated corporate expenses	—	—	—	(5,098)	(5,098)
Profit (loss) from operations	<u>24,659</u>	<u>10,470</u>	<u>(1,732)</u>	<u>(3,512)</u>	<u>29,885</u>
Finance costs	—	—	—	(3,080)	(3,080)
Share of results of a jointly controlled entity	(644)	—	—	—	(644)
Profit (loss) before taxation	<u>24,015</u>	<u>10,470</u>	<u>(1,732)</u>	<u>(6,592)</u>	<u>26,161</u>

For the year ended December 31, 2003:

	Sale and distribution of LPG	Sale of electronic products	Leasing of investment properties, property, plant and equipment	Unallocated	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenues	<u>428,714</u>	<u>14,769</u>	<u>3,319</u>	<u>—</u>	<u>446,802</u>
Segment results	39,255	(1,689)	(5,496)	2,692	34,762
Amortisation of goodwill	(1,406)	—	(206)	—	(1,612)
Recognition of impairment loss in property, plant and equipment	—	—	(1,574)	—	(1,574)
Recognition of impairment loss on goodwill of a subsidiary	(6,316)	—	—	—	(6,316)
Unallocated corporate expenses	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,683)</u>	<u>(4,683)</u>
Profit (loss) from operations	31,533	(1,689)	(7,276)	(1,991)	20,577
Finance costs	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,430)</u>	<u>(3,430)</u>
Profit (loss) before taxation	<u>31,533</u>	<u>(1,689)</u>	<u>(7,276)</u>	<u>(5,421)</u>	<u>17,147</u>

Geographical segments

The Group's operations, by the geographical location of its customers, are located in other regions in the People's Republic of China (the "PRC"), South East Asia, Europe, United States of America and Africa. The Group's sale and distribution of LPG and leasing of property, plant and equipment are carried out in the PRC. The Group's sale of electronic products was located in Hong Kong.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods:

	1.1.2004 to 31.12.2004	1.1.2003 to 31.12.2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
PRC	986,404	446,121
Europe, United States of America and Africa	—	681
South East Asia	37,378	—
	<u>1,023,782</u>	<u>446,802</u>

2. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging (crediting):

	<u>1.1.2004 to</u> <u>31.12.2004</u>	<u>1.1.2003 to</u> <u>31.12.2003</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditors' remuneration	1,038	750
Allowances for bad and doubtful debts	121	656
Allowances for obsolete inventories	1,851	—
Depreciation and amortisation		
Property, plant and equipment	14,363	8,886
Intangible assets included in administrative expenses	2,462	1,612
	16,825	10,498
Loss on disposal and write-off of property, plant and equipment	198	112
Net exchange loss	347	31
Rental payments under operating leases in respect of premises	1,803	2,107
Staff costs		
Directors' fees	350	200
Directors' other emoluments	3,787	1,738
Contributions to retirement benefits schemes excluding HK\$55,000 (2003: HK\$40,000) included in directors' emoluments	315	115
Others	6,655	5,614
	11,107	7,667
Gross rental income from investment properties	(2,662)	(2,553)
Less: outgoings	906	800
	<u>(1,756)</u>	<u>(1,753)</u>

3. TAXATION

The amount of taxation charged to the consolidated income statement represents:

	<u>1.1.2004 to</u> <u>31.12.2004</u>	<u>1.1.2003 to</u> <u>31.12.2003</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
Hong Kong	(395)	—
Other regions in the PRC	(6,643)	(685)
	(7,038)	(685)
Deferred tax	821	471
	<u>(6,217)</u>	<u>(214)</u>

Hong Kong Profits Tax is calculated at 17.5% (2003: 17.5%) of the estimated assessable profit for the year.

The current tax for other regions in the PRC represents PRC enterprise income tax, which is calculated at the rates prevailing, in respect of the Company's subsidiaries operating in the PRC.

4. DIVIDEND

	1.1.2004 to 31.12.2004	1.1.2003 to 31.12.2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividend proposed — HK1 cent per share of HK\$0.10 each (2003: HK0.08 cent per share of HK\$0.01 each)	4,817	3,853

Subsequent to December 31, 2004, the directors proposed a final dividend of HK1 cent per share of HK\$0.10 each (2003: HK0.08 cent per share of HK\$0.01 each, being equal to HK0.8 cent per share of HK\$0.10 each after the 10 to 1 consolidation of the Company's shares on November 9, 2004) be paid to the shareholders of the Company whose names appear on the register of members on June 13, 2005. This final dividend is subject to approval by the shareholders at the forthcoming annual general meeting. At April 22, 2005, the number of shares issued and fully paid is 481,676,687.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	1.1.2004 to 31.12.2004	1.1.2003 to 31.12.2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the purposes of basic and diluted earnings per share	20,178	17,051
Weighted average number of shares for the purposes of basic earnings per share	461,143,085	327,288,723
Effect of dilutive potential shares: Options	4,854,760	—
Weighted average number of shares for the purpose of diluted earnings per share	465,997,845	327,288,723

The weighted average number of shares for the year ended December 31, 2003 for the purpose of basic earnings per share has been adjusted for the share consolidation on November 9, 2004.

For the year ended December 31, 2003, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for the year.

FINAL DIVIDEND

The Directors has recommended a final dividend of HK1 cent per share of HK\$0.10 each (2003: HK0.08 cent per share of HK\$0.01 each, being equal to HK0.8 cent per share of HK\$0.10 each after the 10 to 1 consolidation of the Company's shares on November 9, 2004) to be paid to shareholders on the register of members on June 13, 2005. Subject to shareholders' approval at the forthcoming annual general to be held on June 17, 2005, the final dividend will be paid on or about June 24, 2005.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from June 13, 2005 to June 17, 2005, both days inclusive, during which period no share transfers can be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrars, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4.00 p.m. on Friday June 10, 2005.

MANAGEMENT DISCUSSIONS AND ANALYSIS

General

The Group recorded a turnover of HK\$1,023,782,000 for the year ended December 31, 2004, a substantial growth of 129.1% comparing with the turnover of HK\$446,802,000 for the year ended December 31, 2003. Net profit for the whole year of 2004 amounted to HK\$20,178,000, a small increase of 18.3% over the net profit of HK\$17,051,000 of 2003 as a result of substantial rise of direct cost as well as the need to make write-off and impairment provisions for certain business. During the year, the Group had undergone a ten to one share consolidation. As at the end of December 31, 2004, the Company has issued and paid up 481,676,687 of ordinary shares. Basic earning per share for year 2004 was HK4.38 cents, decreased by 15.9% comparing with the basic earnings per share for the adjusted number of shares in the year period ended December 31, 2003.

The Group achieved a total LPG sales volume of 260,000 tons in 2004, doubling the sales of 130,000 tons achieved in the year of 2003.

Market Situation

Wholesale Market

For the LPG market, 2004 was indeed a challenging year. Commencing middle of the year, the volatile movement of international crude oil price continuously drove up the LPG ex-factory price, pushing it to historical heights. Sea freight for LPG transportation also climbed from about US\$50/ton at the beginning of the year to about US\$100/ton at the year's end (an increase of 100%). These two factors together caused the CIF China price of LPG to rise by 60% over that for the same period in 2003. Wholesale customers became extremely cautious in their purchase. Overall demand of the market was adversely affected and heavy burden fell on all wholesalers that operated Class 1 (ocean going/large LPG cargo) and Class 2 (coastal/inland waters) terminals along the coast line of Southern China.

Retailing Market

The LPG business in Southern China (Guangdong and Guangxi) experienced less growth in 2004 than in the former years. Price persistently being kept at high levels was the direct cause of the stagnation. The price of standard bottle (15kg) of LPG surged from about RMB50 at the year's start to more than RMB70 by the end of the year, an increase of about 40% (same applied to other sizes of bottled LPG). To general household users, many of whom consumed just a little more than one bottle a month, the impact was insignificant, but to the commercial and industrial users, the increased cost was indeed a heavy burden. In order to cut down their operating costs, they have no better choice than to economize on the use of LPG and that caused the slow-down for LPG business growth in 2004. Guangdong and Guangxi are all along the provinces in China that have the highest demand for LPG. These two provinces rely heavily on LPG importation as the supply by local refineries can only meet 10% of the total demand. Because of this special situation, import LPG price naturally acts as the prize benchmark. Terminals raised the wholesaling offer price of LPG when their cost of import increased, and retailers had to purchase at a higher price. Theoretically, retailers could also adjust the retail price up and transfer the increased cost to the end user in order to keep their profit margin. However, as we all know, LPG retailing market in China has already been deregulated. It is a market of free competition. Higher retail price implied higher possibility of market share diminution. Retailers had to strike a balance between the pros and cons. It resulted in that only part of the increased cost could be effectively transferred to the end-users, and retailers had to face the reality of thinner gross margin.

The LPG Wholesaling and Retailing Business

Wholesaling Business

In March 2004, the Group acquired and took over from Iwatani International Corporation the Class 1 LPG terminal (the “Zhuhai Terminal”) located in Gaolan Island of Zhuhai City for the development of LPG wholesaling. To start LPG wholesaling in such difficult market situation was not an easy task. Nevertheless, thanks to the dedication of the Group’s employees, the LPG wholesaling business of the Group was able to achieve significant breakthroughs and obtain remarkable results: (1) Just two months after taking over the Zhuhai Terminal (with 50,000 ton class jetty and just 2,100 tons storage capacity), 12,500 tons of refrigerated LPG in one shipment was brought in by a Very Large Gas Carrier (VLGC), and Zhuhai Terminal successfully discharged all cargoes within 5 days by way of both barge and tanker trucks distribution. Prior to this event, Zhuhai Terminal had no precedent of receiving any VLGC; (2) In 2004, the Group had opened up LPG supply channels with more than 17 foreign suppliers (either oil majors or international commodity traders) successfully freeing the Group from passively relying on one single source of supply; (3) Without increasing manpower, Zhuhai Terminal had since March 2004 continually maintained 24 hours non-stop operation, and at the end of the year, demonstrated its high operating efficiency by achieving more than 2,000 tons of tanker truck distribution in one day (handled the filling of more than 80 tanker trucks in one day). Zhuhai Terminal company achieved in total about 140,000 tons of LPG import and sales in its first year of operation, making it one of the major importers/wholesalers in the LPG market of Southern China. It did not only establish its market influence in the Zhuhai area, but also solidified its foundation for further development. Currently, Zhuhai Terminal is restricted by its small storage capacity and has to import mainly pressurized cargo. Sea freight of pressurized cargo is generally US\$25 to US\$35 per ton higher than that of refrigerated cargo. As such, the current cost of import of Zhuhai Terminal is relatively high, thus weakening its competitiveness in the wholesaling market. The storage capacity has to be substantially enlarged, and the Group is actively engaged in an expansion program.

Retailing Business

The Group consistently focused on the second and third tier cities of Guangdong and Guangxi for expanding its LPG retailing business. In mid 2004, the Group acquired the Chaoyang Station in Guilin and in early 2005, acquired the Yonglong Station in Qingyuan. Both acquisitions contributed substantial expansion of our market share in the two cities. Retail business in other cities all maintained stable development. Regarding the cost increase issue, Management took the view that price movement would be cyclical and the purchase of local LPG from the north through railway transportation would be an alternative way to reduce purchase cost. After careful consideration, Management decided to put its priority in maintaining and continuously expanding its market share. Although this entailed tolerating a thinner margin temporarily, with controlled market share, we would be able to realize on opportunities offered by the price fluctuation in the long run, and hence to obtain remarkable return from this business. With respect to the newly acquired stations in Guilin and Qingyuan, Management did not only attach attention to their contribution to the market share expansion, but also highly valued their facilities and support in substantiating the purchase of local LPG from the north through railway transportation.

Electronics Business

Starting from January 2003, the Group contracted out the manufacture and sales of the electronics business. During the year 2004, income from leasing of property, plant and equipment was over HK\$4 million. Presently, the Group only maintained general trading of electronic components.

Business Outlook

It is anticipated that international crude oil price will continue to fluctuate at high level and the lowering of LPG import price is unlikely to happen. The Group is well prepared to tackle the price severity.

In retailing, the Group targeted on reduction of the cost of purchase by opening up the channel of sourcing local LPG from the north. In this respect, the newly acquired stations will make possible the effective and smooth transportation by rail. The Group will continue to acquire other bottle filling stations in Guangdong and Guangxi for the expansion of its retail operation.

Zhuhai Terminal had obtained government approval for its LPG storage expansion in the fourth quarter of 2004. The permit for construction program was also granted in the first quarter of 2005. Construction will commence shortly and be completed in the first half of 2006. While the LPG storage expansion is under construction, Zhuhai Terminal will deploy joint-purchase arrangement to import refrigerated cargo, lowering the cost of transportation and improving its competitiveness in LPG wholesaling. By joint-purchase arrangement, the restriction imposed by our low storage capacity could be effectively removed as the cargo would be discharged directly into barges and tanker trucks (not through storage tanks) and be distributed to the cooperating terminals immediately.

Furthermore, the Group shall enter into cooperation with an international oil company to optimize the jetty and land utilization with a view to bring in reasonable profit for the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at December 31, 2004, the net current assets of the Group amounted approximately to HK\$27,481,000 and the Group's bank balances and cash was HK\$55,937,000. At the balance sheet date, current ratio was 1.19:1, quick ratio was 1.17:1, gearing ratio was 0.30:1 which was calculated based on total liabilities of HK\$154,776,000 over total assets of HK\$514,113,000.

CONTINGENT LIABILITIES

The Company

At December 31, 2004, the Company has given corporate guarantees to the extent of total HK\$54,151,000 (2003: HK\$1,000,000) to two (2003: one) financial institutions and five (2003: two) unlimited guarantees to financial institutions in respect of general facilities granted to the subsidiaries of the Company. The facilities utilised by the Group at December 31, 2004 amounted to HK\$104,636,000 (2003: HK\$1,780,000).

At December 31, 2004 and 2003, the Company was a guarantor to an agent for import of LPG under an agency agreement entered into between a subsidiary of the Company and the agent. The guarantee was not utilised by the agent at both balance sheet dates.

The Group

At December 31, 2004 and 2003, the Company was a guarantor to an agent for import of LPG under an agency agreement entered into between a subsidiary of the Company and the agent. The guarantee was not utilised by the agent at both balance sheet dates.

The Group had no other significant contingent liabilities at the balance sheet date.

PLEDGE OF ASSETS

At December 31, 2004, the Group pledged its bank deposits amounting to HK\$3,004,000 (2003: HK\$2,607,000) to secure general banking facilities granted to the Group. The Group has pledged

gas plant and facilities having an aggregate net book value of HK\$2,082,000 (2003: HK\$2,183,000) to secure general banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2004, the Group employed approximately 310 full time employees in Hong Kong and the PRC. The Group remunerated the employees based on their performance, experience and prevailing market practice. Employee benefits provided by the Group include a provident fund scheme, medical insurance scheme and an employee share option scheme.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the 12 months ended December 31, 2004.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed financial reporting matters including the review of the audited financial statements for the 12 months ended December 31, 2004.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") throughout the 12 months ended December 31, 2004

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

Detailed information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange as soon as practicable.

By Order of the Board
NewOcean Green Energy Holdings Limited
Shum Siu Mau
Chairman

Hong Kong, April 22, 2005

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Mau, Mr. Wu Hong Cho, Mr. Cheng Wai Leung, Mr. Cen Ziniu, Mr. Raymond Chiu Sing Chung and Mr. Lawrence Shum Chun, being the executive Directors, Mr. Michael Frederick Young Wing Chun, Mr. Anthony Cheung Kwan Hung and Dr. Charles Koo Ming Yan, being the independent non-executive Directors.

* *for identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of NewOcean Green Energy Holdings Limited (“the Company”) will be held at 20th Floor, Times Tower, 393 Jaffe Road, Wanchai, Hong Kong on Friday, June 17, 2005 at 11:00 a.m. (“Annual General Meeting”) for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the 12 months ended December 31, 2004.
2. To declare a final dividend.
3. To re-elect directors retiring by annual rotation pursuant to the provisions of the bye-laws of the Company, namely Mr Cheung Kwan Hung, Anthony and Mr. Young Wing Chun, Michael Frederick and to authorise the Board of Directors to fix their remuneration. (All the retiring directors, being eligible, offer themselves for re-election as directors.).
4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration.
5. As special business to consider, and if though fit, to pass the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

(1) **“THAT:**

- (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company, and to make or grant offers, agreements or options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) an issue of shares pursuant to any existing specific authority, including upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any bonds, notes, debentures or securities convertible into shares of the Company; (iii) any employee share option scheme or similar arrangement for the time being adopted by the Company; and (iv) an issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law of Bermuda to be held; or

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the director of the Company made to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of, any recognised regulatory body or any stock exchange in or in any territory outside, Hong Kong).”

(2) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“Recognised Stock Exchange”), subject to and in accordance with all applicable laws, rules and regulations and the requirements of The Rules Governing the Listing of Securities on the Stock Exchange, or of any other Recognised Stock Exchange be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the shares of HK\$0.10 each in the issued share capital of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law of Bermuda to be held; or
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(3) **“THAT:**

subject to the passing of Ordinary Resolution No. (1) and Ordinary Resolution No. (2) as set out in the notice convening this meeting (the “Notice”), the general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to Ordinary Resolution No. (1) set out in the Notice be and is hereby extended by the addition to it of an amount representing the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and since the granting to the Company of the general mandate to repurchase shares in accordance with Ordinary Resolution No. (2) set out in the Notice.”

By Order of the Board
NewOcean Green Energy Holdings Limited
Wu Hong Cho
Company Secretary

Hong Kong, April 22, 2005

Notes:—

1. In respect of Ordinary Resolutions No. (1) to No. (3) the directors wish to state that they have no immediate plans to purchase any existing shares or to issue any shares or warrants.
2. In relation to the directors proposed to be re-elected at the Annual General Meeting, their information as required under Chapter 13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited are provided in the section headed “Directors’ Report” in the Company’s 2004 annual report.
3. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member.
4. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be lodged at the share registrar of the Company, Secretaries Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the meeting or any adjournment thereof.