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NewOcean Energy Holdings Limited

(新海能源集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 342)

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DISCLOSEABLE AND CONNECTED TRANSACTIONS SUBSCRIPTION OF SHARES AND BONDS IN NITGEN AND DISPOSAL OF 65% INTEREST IN SUCCESS PILLAR

THE INVESTMENT AGREEMENT

On 5 September 2012 Sound Hong Kong (a wholly-owned subsidiary of the Company), NCC and Nitgen entered into the Investment Agreement pursuant to which, subject to fulfillment of the Investment Conditions, (a) Sound Hong Kong will subscribe for and purchase the SHK Subscription Shares and the SHK Bonds at the price of KRW 11,070,004,580 (equivalent to approximately HK\$75,821,949) and US\$10,369,124 (equivalent to approximately HK\$80,568,093 respectively; and (b) NCC will subscribe for and purchase the NCC Subscription Shares and the NCC Bonds at the price of KRW3,876,000,000 (equivalent to approximately HK\$26,547,945) and US\$7,425,373 (equivalent to approximately HK\$57,695,148) respectively.

The Investment Agreement provides that Nitgen shall apply the proceeds from the Subscription, being a total sum equivalent to HK\$240,633,135, for injection of capital into Nitgen Lighting, a wholly-owned subsidiary of Nitgen incorporated in Hong Kong, to fund the transactions contemplated under the Disposal Agreement.

* *For identification purposes only*

THE DISPOSAL AGREEMENT

On 5 September 2012 Nitgen Lighting, Sound Hong Kong and NCC entered into the Disposal Agreement pursuant to which Nitgen Lighting will acquire from Sound Hong Kong and NCC the entire issued share capital of Success Pillar at a total consideration HK\$241,180,000. Success Pillar is an indirect subsidiary of the Company the shares of which are held as to 65% by Sound Hong Kong and as to 35% by NCC. Completion of the Disposal Agreement is conditional on, among other things, completion of the Investment Agreement.

LISTING RULES IMPLICATIONS

NCC is a connected person of the Company and a controller of Success Pillar as defined in Rule 14A.10 of the Listing Rules on account of its 35% shareholding interest in Success Pillar. Under Rule 14A.13 (1)(b)(i), Sound Hong Kong's disposal of its 65% interest in Success Pillar under the Disposal Agreement (with NCC disposing its 35% interest at the same time) constitutes a connected transaction of the Company.

In addition, based on the existing shareholding of NCC in Nitgen and the Nitgen Shares to be issued to NCC referred to in this announcement, Nitgen will become an associate of NCC and therefore a connected person of the Company, upon completion of the Investment Agreement. Taking into consideration the fact that the transactions under the Investment Agreement and the Disposal Agreement are inter-related and are all part of the same arrangement, performance of Sound Hong Kong's obligations towards Nitgen under the Investment Agreement is deemed a connected transaction of the Company.

As the applicable ratio under the Listing Rules for these transactions exceeds 5% but is below 25% the Company will comply with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, further details of the Subscription Agreement, together with the recommendations of the independent board committee of the Company, the advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders will be despatched to the Shareholders as soon as practicable.

1. THE INVESTMENT AGREEMENT

1.1 Date

5 September 2012

1.2 Parties

Investors: (1) Sound Hong Kong, a wholly-owned subsidiary of the Company; and
(2) NCC, a company incorporated in the British Virgin Islands

Issuer: Nitgen, a company incorporated in Korea the shares of which are listed on KOSDAQ. Nitgen and its subsidiaries are principally engaged in the provision of biometric solutions.

NCC is a wholly-owned subsidiary of AV Concept, a company listed on the main board of the Stock Exchange (Stock Code: 595) whose principle businesses are distribution of semiconducts, design, development and sale of electronic products, and trading in light-emitting diodes. NCC owns 35% shares in Success Pillar, a subsidiary of the Company, and NCC and its associates are therefore connected persons of the Company.

As at the date of this announcement, Nitgen is owned as to approximately 20.28% by NCC. Save as disclosed in this Announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquires, Nitgen and its ultimate beneficial owners are third party independent of the Company and the connected persons of the Company.

1.3 SHK Subscription Shares and SHK Bonds

Sound Hong Kong conditionally agreed to:

- (a) subscribe for the SHK Subscription Shares, being 17,136,230 Nitgen Shares, at a subscription price of KRW646 (equivalent to approximately HK\$4.42) per Nitgen Share; and
- (b) purchase the SHK Bonds at the issue price of US\$10,369,124 (equivalent to approximately HK\$80,568,093), being 100% of the principal amount of the SHK Bonds.

1.4 Consideration for the SHK Subscription Shares and the SHK Bonds

The subscription price of KRW646 (equivalent to approximately HK\$4.42) per Nitgen Share for the SHK Subscription Shares equals to the subscription price per Nitgen Share

for the NCC Subscription Shares referred to in paragraph 1.5 headed “NCC Subscription Shares and NCC Bonds” below. The subscription price was arrived at after arm’s length negotiations between Nitgen, Sound Hong Kong and NCC and was based on the lower of (a) arithmetic average of (i) volume-weighted-average share price (“Average Price”) during one (calendar) month; (ii) Average Price during one (calendar) week; and (iii) Average Price on the (last) trading day, before the date of Board resolution on the share issue (i.e. the date of the Investment Agreement); and (b) Average Price on the (last) trading day before the date of board resolution of Nitgen on the share issue (i.e. the date of the Investment Agreement, which is in accordance with the applicable Korean laws.

The Conversion Price for the SHK Bonds is determined in accordance with the applicable Korean laws as set out in paragraph 1.7 headed “Conversion Price and Conversion Shares” below. Assuming full conversion of the SHK Bonds at the initial Conversion Price of US\$0.585793 (equivalent to approximately HK\$4.55) as set out under the terms and conditions of the SHK Bonds, the SHK Bonds will be convertible into 170,701,003 Conversion Shares.

The total subscription price of the SHK Subscription Shares amounts to KRW11,070,004,580 (equivalent to approximately HK\$75,821,949) which, when aggregated with the issue price of the SHK Bonds of US\$10,369,124 (equivalent to approximately HK\$80,568,093), amounts to a sum equivalent to HK\$156,390,042 which will be paid by Sound Hong Kong to Nitgen in cash on completion of the Investment Agreement.

The aforesaid equivalent sum of HK\$156,390,042 equals to, and will be funded by a sum in the same amount to be paid by Nitgen Lighting to Sound Hong Kong as consideration under the Disposal Agreement as described in 1.8 headed “Other terms of the Investment Agreement” and paragraph 3 headed “The Disposal Agreement” below.

1.5 NCC Subscription Shares and NCC Bonds

NCC conditionally agreed to:

- (a) subscribe for the NCC Subscription Shares, being 6,000,000 Nitgen Shares, at a subscription price of KRW646 (equivalent to approximately HK\$4.42) per Nitgen Share and a total subscription price of KRW3,876,000,000 (equivalent to approximately HK\$26,547,945); and
- (b) purchase the NCC Bonds at the issue price of US\$7,425,373 (equivalent to approximately HK\$57,695,148), being 100% of the principal amount of the NCC Bond. Assuming full conversion of the NCC Bonds at the initial conversion price of US\$0.585793 (equivalent to approximately HK\$4.55) as set out under the terms and conditions of the NCC Bonds, the NCC Bonds will be convertible into 12,675,762 Conversion Shares.

1.6 Principal terms of the Convertible Bonds

- Ranking** : Pari passu with all direct, unsecured and unsubordinated obligations of Nitgen.
- Form and Denomination** : In registered form in a single denomination equal to the principal sum. After one year from the date of the issuance, the bondholder may at its discretion exchange the certificate representing the bonds for certificates in integral multiples of US\$10,000.
- Maturity Date** : The 3rd anniversary of the date of issue of the Bonds (“**Maturity Date**”).
- Interest** : No interest, except for interest of 10% per annum on any principal amount of the Bonds not paid when due, calculated on the basis of a 365-day year.
- Conversion** : Convertible Bond holders shall have the right to convert their Convertible Bonds into Nitgen Shares (the “**Conversion Shares**”) at any time on or after the first anniversary of the date of issue of the Bonds up to the close of business (in Seoul) on the date one business day prior to the Maturity Date.
- Conversion Price** : the issue price for Conversion Shares (“**Conversion Price**”) will initially be US\$0.585793 (equivalent to approximately HK\$4.55) per Conversion Share.
- The Conversion Price will be subject to adjustment for, among other things, free distribution, sub-division, consolidation or reclassification of shares, declaration of dividends in shares, a grant, issue or offer of securities less than the current market price, issue of convertible or exchangeable securities less than the current market price, and issue of rights for shares or convertible or exchangeable securities other than to shareholders less than the current market price.
- Redemption** : Unless previously redeemed, converted or purchased, each Convertible Bond shall be redeemed by Nitgen at 100% of the principal amount of the bond.

- Events of default** : The holder of the Convertible Bonds may by written notice to Nitgen declare such Subscription Bonds to be immediately due and payable if any event of default as provided in the terms and conditions of the Convertible Bonds occurs, including:
- (a) any other bonds or other indebtedness of Nitgen for borrowed money having an aggregate principal amount of at least US\$1,000,000 (or its equivalent in any other currency or currencies) or more becomes prematurely repayable following default;
 - (b) otherwise than as part of a corporate merger, either (i) a resolution is passed for the winding up or dissolution of Nitgen, or (ii) Nitgen ceases, or resolves or undertakes to cease, the conduct of its business;
 - (c) Nitgen is unable to pay its debts as and when they fall due; or a bankruptcy, reorganization, insolvency or similar proceeding is initiated or consented to by Nitgen;
 - (d) a liquidator, receiver, administrator or other similar officer is appointed in respect of Nitgen, or any asset of Nitgen is subject to distress or execution which is not discharged within 10 day;
 - (e) trading of the Nitgen Shares on KOSDAQ is suspended for 10 or more consecutive days or a notice is issued by any regulatory body of its intention to terminate or otherwise cease the listing of Nitgen Shares on KOSDAQ; and
 - (f) NCC (together with its affiliates) ceases to be the single largest shareholder of Nitgen or there is otherwise a change of control in Nitgen.

1.7 Conversion Price and Conversion Shares

The Conversion Price was arrived at after arm's length negotiations between Nitgen, NCC and SHK. The initial Conversion Price was determined based on the highest of the following formulae, which is in accordance with the applicable Korean law:

- (a) arithmetic average of (i) volume-weighted-average share price ("Average Price") during one (calendar) month, (ii) average Price during one (calendar) week, and (iii) average Price on the (last) trading day, before the date of board resolution of Nitgen on the issue of the Convertible Bonds (i.e. the date of the Investment Agreement);
- (b) Average Price on the (last) trading day before the date of board resolution of Nitgen on the issue of the Convertible Bonds; and
- (c) Average Price of 3 trading days (third to last trading day) before the date of the Investment Agreement.

1.8 Other terms of the Investment Agreement

The SHK Subscription Shares shall, upon issuance, be subject to a one-year lock-up requirement by depositing the certificate representing such SHK Subscription Shares with the Korea Securities Depository as required under applicable Korean law.

The Convertible Bonds shall not be sold or transferred to any third party Korean resident during a period of one year from completion of the Investment Agreement.

Nitgen shall use the proceeds of the Subscription Shares and the Convertible Bonds for additional subscription of shares in Nitgen Lighting (the "Nitgen Lighting Subscription") to provide funding for Nitgen Lighting in its proposed acquisition of the outstanding share capital of Success Pillar.

1.9 Completion of the Investment Agreement

Subject to fulfillment of the Investment Conditions, completion of the Investment Agreement shall take place on 6 November 2012 or such other date as the parties to the Investment Agreement may agree.

1.10 Investment Conditions

- A. The obligation of each of Sound Hong Kong, NCC and Nitgen to proceed with completion of the Investment Agreement is subject to fulfillment of each of the following conditions:
- (a) each party to the Investment Agreement has complied with those covenants under the Investment Agreement that are required to be complied with before completion, and the representations and warranties given by each party are true and correct in all material aspects; and
 - (b) no lawsuit or other legal proceeding is pending, or threatened, that challenges the validity of the Investment Agreement or seeks to restrict the transactions provided for thereunder.
- B. Completion of the Investment Agreement shall not proceed unless and until each of the following conditions are fulfilled:
- (a) any government approval and any consents of third parties or other procedures that are required of any party for completion of the Investment Agreement under applicable laws having been obtained and effected;
 - (b) approval to the performance of Sound Hong Kong's obligations under the Investment Agreement having been given by shareholders at a general meeting of the Company;
 - (c) approval to the performance of NCC's obligations under the Investment Agreement having been given by shareholders at a general meeting of AV Concept;
 - (d) NCC having subscribed for an additional 12,264,086 Nitgen Shares at a subscription price of KRW7,922,599,556 (equivalent to approximately HK\$54,264,381) pursuant to a subscription agreement entered into (or to be entered into) between Nitgen and NCC on the date of the Investment Agreement;
 - (e) Nitgen having entered into a subscription agreement with Nitgen Lighting providing for the Nitgen Lighting Subscription for a total subscription price of HK\$240,633,135, and such subscription agreement remaining in full force and effect.

The parties to the Investment Agreement shall use their reasonable diligent efforts to obtain and effect any government approvals and any consents of third parties or other procedures that are necessary for completion.

1.11 Termination

The Investment Agreement may be terminated before completion:

- (a) by agreement between Sound Hong Kong, NCC and Nitgen;
- (b) by any party to the Investment Agreement if the Investment Conditions have not been all fulfilled (or waived, if applicable), or completion of the Investment Agreement has not otherwise occurred, on or before 14 December 2012; or
- (c) by any party to the Investment Agreement in the event of a material breach of any covenant, representation or warranty by another party.

For the avoidance of doubt, if completion of the Investment Agreement does not proceed any moneys that may have been paid for the Subscription Shares and the Convertible Bonds shall, forthwith upon demand, be returned to the respective party.

2. INFORMATION ON NITGEN

2.1 Nitgen (together with its subsidiaries, the “**Nitgen Group**”) is a company incorporated in Korea whose common shares are listed on KOSDAQ and the Nitgen Group is principally engaged in the provision of biometric solutions. The Nitgen Group provides biometric technology with embedded module, fingerprint scanner, PC peripheral device and fingerprint server certification.

As at the date of this announcement, Nitgen is owned as to approximately 20.28% by NCC. Under a separate agreement entered into between NCC and Nitgen, NCC will subscribe (the “**Additional Subscription**”) for an additional 12,264,086 Nitgen Shares so that NCC will own approximately 40.79% of the share capital of Nitgen as enlarged by the Additional Subscription. Completion of the Additional Subscription is expected to take place prior to completion of the Investment Agreement.

As at the date of this announcement, there is in issue certain bonds (the “**Existing Bonds**”) of Nitgen due on 31 July 2015 held by an independent third party convertible into Nitgen Shares representing approximately 19.78% of the existing share capital of Nitgen as enlarged by issue of conversion shares upon the full conversion of such bonds (assuming no other change to the existing share capital of Nitgen).

Based on the shareholding structure of Nitgen as enlarged by the Additional Subscription and assuming the completion of the Investment Agreement, the following table represents (i) the shareholding of SHK in Nitgen immediately after the completion of the Investment Agreement; and (ii) the shareholding of SHK in Nitgen after the completion of the Investment Agreement and assuming full conversion of the Convertible Bonds at the

initial Conversion Price and full conversion of the Existing Bonds at the initial conversion price under the terms and conditions of the Existing Bonds:

Shareholder	Immediately after Completion of the Additional Subscription		Immediately after completion of the Investment Agreement		Immediately after completion of the Investment Agreement and assuming full conversion of the Convertible Bonds and the Existing Bonds	
	No. of Nitgen Shares	Approx. %	No. of Nitgen Shares	Approx. %	No. of Nitgen Shares	Approx. %
NCC	19,444,011	40.79	25,444,011	35.94	38,119,773	34.68
Sound Hong Kong	0	0	17,136,230	24.20	34,837,233	31.70
Other Shareholders	28,220,391	59.21	28,220,391	39.86	36,947,361	33.62
Total	<u>47,664,402</u>	<u>100</u>	<u>70,800,632</u>	<u>100</u>	<u>109,904,367</u>	<u>100</u>

2.2 Based on published audited financial information of Nitgen (which were prepared in accordance with financial accounting standards generally accepted in Korea), the results of Nitgen for the two years ended 31 December 2011 is set out below:

	For the year ended 31 December 2011		For the year ended 31 December 2010	
	<i>KRW</i> (million)	<i>HK\$</i> (million)	<i>KRW</i> (million)	<i>HK\$</i> (million)
Turnover	10,538.7	72.2	12,168.4	83.3
Profit/(Loss) before tax	(2,568.7)	(17.6)	1,017.8	7.0
Profit/(Loss) after tax	(2,783.6)	(19.1)	1,662.9	11.4

3. THE DISPOSAL AGREEMENT

3.1 Date

5 September 2012

3.2 Parties

Vendors: (1) Sound Hong Kong; and
(2) NCC

Purchaser: Nitgen Lighting, a wholly-owned subsidiary of Nitgen incorporated in Hong Kong

3.3 The Disposal

Sound Hong Kong and NCC conditionally agreed to sell, and Nitgen Lighting conditionally agreed to purchase the Sale Shares, comprising the entire issued share capital of Success Pillar, a marine bunkering service provider which is held as to 65% by Sound Hong Kong and as to 35% by NCC as at 1 August 2012.

3.4 Consideration

An aggregate sum of HK\$241,180,000 to be paid on completion:

- (a) as to HK\$156,767,000, to Sound Hong Kong; and
- (b) as to HK\$84,413,000, to NCC

The consideration was arrived at through arm's length negotiation between Sound Hong Kong, NCC and Nitgen Lighting. In arriving at the consideration reference was made to the benchmark net revenue of HK\$215,533,248 achieved by the Subsidiaries during the 3-month Market Trial Period, of which 51% was attributable to Success Pillar, being HK\$109,921,956 (the "Attributable Quarterly Net Revenue"). The total consideration of approximately HK\$241 million payable by Nitgen Lighting for the entire issued share capital of Success Pillar equals approximately 2.2 times the Attributable Quarterly Revenue.

In arriving at the consideration, the parties had regard to the quarterly trading volume of 61,650 metric tons of bunker fuel (being approximately 3% of the average quarterly sales in the whole Hong Kong for year 2011) and an acceptable level of gross profit (being HK\$10,664,013) achieved by the Subsidiaries during the Market Trial Period. The parties agree that the method of price determination is fair and reasonable taking into account the growth potential of Success Pillar, the limited number of bunkering service providers in Hong Kong and the growth trend of the industry. Also taken into consideration is the fact that the consideration was in effect satisfied, in the case of Sound Hong Kong, by Nitgen issuing the SHK Subscription Shares which are subject to a one-year lock-up, and the SHK Bonds which are non-interest bearing. Taking into consideration the above and the published financial information on Nitgen, the Directors consider the consideration to be fair and reasonable and on normal commercial terms.

SHK's entitlement of HK\$156,390,042 from the total consideration will fund the price for SHK's subscription the SHK Subscription Shares and the purchase of the SHK Bonds as described in paragraph headed "The Investment Agreement" above.

3.5 Completion

Completion of the Disposal shall take place on the second Business Day after all the Disposal Conditions shall have been fulfilled or waived (if applicable) or such other date as may be agreed between the parties to the Disposal Agreement.

3.6 Disposal Conditions

Completion of the Disposal Agreement is conditional, among other things, on:

- (a) the Company having complied with the shareholders' approval requirements under the Listing Rules with respect to the Disposal Agreement;
- (b) AV Concept having complied with the shareholders' approval requirements under the Listing Rules with respect to the Disposal Agreement;
- (c) completion of the Investment Agreement; and
- (d) completion of the Nitgen Lighting Subscription referred to in paragraph 1.8 headed "Other terms of the Investment Agreement" above.

4. INFORMATION ON THE COMPANY

The principal business of the Company is investment holding. The principal businesses of the Company's subsidiaries are sale and distribution of LPG, sale and distribution of oil products, and sale of electronic products. A 80,000 metric ton oil products depot (the "**Zhuhai Petroleum Depot**") is currently under construction at the Group's Zhuhai sea terminal intended for use by the oil products business. The Zhuhai Petroleum Depot is expected to commence operation in 2013.

5. INFORMATION ON SUCCESS PILLAR

Success Pillar was incorporated in the British Virgin Islands on 23 April 2012 and is held as to 65 percent by Sound Hong Kong and 35% by NCC as at 1 August 2012. The principal business of Success Pillar is the holding of a 51% equity interest in the Subsidiaries. The remaining 49% equity interest in the Subsidiaries is held by the Group.

In May 2012 the Subsidiaries commenced marine bunkering services in Hong Kong as a spearhead project for the Group's oil products business prior to commencement of operation of the Zhuhai Petroleum Depot. The Subsidiaries chartered a marine bunkering station and

3 bunker ships, which all operated in the Hong Kong Harbour. Requisite operating licenses and validation, including Dangerous Goods Carriage Permits and Declaration of Fitness have been obtained by these vessels. It is the objective of the spearhead project to provide business channels for the Zhuhai Petroleum Depot outside of the PRC so that, when the Zhuhai Petroleum Depot commences operation, its efficiency can be boosted by additional trading volume brought in from other Asian regions.

In pursuance of the object of the spearhead project, during the Market Trial Period the equipment, supply channels and logistics arrangements of the Subsidiaries were tested and validated, and efforts were made to establish a local clientele. The Subsidiaries formally launched their operation on 1 August 2012 (the “**Launch Date**”). Brief financial information on the Success Pillar and the Subsidiaries, on a consolidated basis, for the Market Trial Period and as at the Launch Date is as follows:

	3 months ended 31 July 2012 (Note 1) HK\$ (Unaudited)
Turnover	215,533,248
Net profit before and after tax (Note 2)	6,748,759
Net profit attributable to non-controlling interest	3,306,892
Net Profit attributable to equity owner	3,441,867
	As at 1 August 2012 HK\$ (Unaudited)
Total Assets	128,115,528
Total Liabilities	122,280,131
Net Assets	5,835,397

Notes:

- (1) As Success Pillar and the Subsidiaries were established in 2012, there was no financial information of Success Pillar and the Subsidiaries for the last two financial years.
- (2) No tax provision has been made as the operations were for a short period of 3 months.

6. EFFECT OF THE DISPOSAL

Following completion of the Disposal, the Group will cease to hold any shares in Success Pillar. Success Pillar and the Subsidiaries will cease to be subsidiaries of the Company and their results will not be consolidated in the accounts of the Group.

The remaining 49% interest in the Subsidiaries that is not held by Success Pillar will remain with the Group and will be accounted for as an investment in associated company.

7. REASONS AND BENEFITS FOR THE SUBSCRIPTION AND THE DISPOSAL

Success Pillar had been established as a spearhead project to pave the way for business channels between the Zhuhai Petroleum Depot and Hong Kong when the depot commences operation in 2013. This object has been achieved during the Market Trial Period when Success Pillar demonstrated that there is sufficient market space in Hong Kong. Since the Zhuhai Petroleum Depot, with its a 80,000 metric ton capacity, will be the centre of the Group's oil products business, Success Pillar will only play a supportive role and its disposal will not prejudice the Group's oil products business in any way. Based on the consideration of approximately HK\$156.4 million payable to Sound Hong Kong for the disposal of 65% interest in Success Pillar and the carrying cost of approximately HK\$3.8 million of this 65% interest being disposed of, the Directors expects to recognize an unaudited gain of approximately HK\$ 152.6 million from the disposal of Success Pillar.

As explained in sub-paragraph 3.4 headed "Consideration" in paragraph 3 headed "The Disposal" above, the consideration of HK\$156,390,042 payable to Sound Hong Kong will be applied to fund the payment for the SHK Subscription Shares and the SHK Bonds issued to Sound Hong Kong under the Subscription. The Directors presently intend to hold these as short term investments in securities.

In addition to Sound Hong Kong's expected gain from the Disposal, both the Subscription and the Disposal are of strategic value to the Company. Nitgen's ownership of Success Pillar after completion of the Disposal expands the shareholder base of the Subsidiaries to Korea. The Subsidiaries will no longer be subsidiaries of the Company. They will however remain as associated companies of the Group and will continue to play the same supportive role to the Group's oil products business. The holding of the SHK Subscription Shares and the SHK Bonds provides the Group with an opportunity to participate in the Korean capital market. These are in line with the Company's strategy for its core energy businesses to diversify and expand abroad. Korea is the world's largest user of LPG and the LPG arm of the Group has had a long business relationship with leading LPG operators in Korea. The Directors are therefore of the view that these transactions are in the interest of the Company and its shareholders as a whole.

8. LISTING RULE IMPLICATIONS

NCC is a connected person of the Company and a controller of Success Pillar as defined in Rule 14A.10 of the Listing Rules on account of its 35% shareholding interest in Success Pillar. Under Rule 14A.13 (1)(b)(i) of the Listing Rules, Sound Hong Kong's disposal of its 65% interest in Success Pillar under the Disposal Agreement (with NCC disposing its 35% interest at the same time) constitutes a connected transaction of the Company.

In addition, based on the existing shareholding of NCC in Nitgen and the Nitgen Shares to be issued to NCC referred to in this announcement, Nitgen will become an associate of NCC and therefore a connected person of the Company, upon completion of the Investment Agreement. Taking into consideration the fact that the transactions under the Investment Agreement and the Disposal Agreement are inter-related and are all part of the same arrangement, performance of Sound Hong Kong's obligations towards Nitgen under the Investment Agreement is deemed a connected transaction of the Company.

Due to the foregoing, Sound Hong Kong's subscription for the SHK Subscription Shares, purchase of the SHK Convertible Notes and disposal of its interest in Success Pillar are all subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules. As the applicable ratio under the Listing Rules for these transactions exceeds 5% but is below 25%, these transactions are further conditional on approval by Independent Shareholders at a special general meeting of the Company convened for this purpose as required under Chapter 14A of the Listing Rules.

An independent board committee of the Company will be formed comprising all the independent non-executive Directors to advise the Independent Shareholders. An independent financial adviser will also be appointed to advise the independent board committee of the Company and the Independent Shareholders in relation to the terms of the Investment Agreement and the Disposal Agreement. A circular containing, among other things, further details of the Investment Agreement and the Disposal Agreement, the recommendations of the independent board committee and the advice from the independent financial adviser to the independent board committee and the Independent Shareholders, and a notice convening a special general meeting of the Company will be despatched to the Shareholders as soon as practicable.

9. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AV Concept” means AV Concept Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Business Day”	means a day, other than a Saturday or Sunday, on which banks are open in Hong Kong to the general public for business
“Connected persons”	has the meaning ascribed to such term in the Listing Rules
“Company”	means NewOcean Energy Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Conversion Price”	the price at which Conversion Shares will be issued upon conversion of the Convertible Bonds which will initially be US\$0.585793 per Nitgen Share and will be subject to adjustment in the manner provided in the terms and conditions of the Convertible Bonds
“Conversion Shares”	means the Nitgen Shares to be issued by Nitgen upon conversion of the Convertible Bonds
“Convertible Bonds”	means the zero coupon convertible bonds to be issued by Nitgen under the Investment Agreement to Sound Hong Kong and NCC at an issue price equal to 100% of the principal amount of the bonds and due on the third anniversary of the date of issue, and carrying rights to convert the principal sum due under the bonds into Conversion Share subject to the terms and conditions of the Investment Agreement
“Directors”	means directors of the Company
“Disposal”	means the disposal of the entire shareholding interest in Success Pillar by Sound Hong Kong and NCC under the Disposal Agreement
“Disposal Agreement”	means the Disposal Agreement dated 5 September 2012 entered into between the Sound Hong Kong, NCC and Nitgen Lighting in relation to the Disposal
“Disposal Conditions”	means conditions precedent to completion of the Disposal Agreement
“Group”	means the Company together with its subsidiaries and jointly controlled entities
“Hong Kong”	means The Hong Kong Special Administrative Region of the People’s Republic of China

“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Shareholders”	means all the Shareholders as no Shareholder is required to abstain from voting in relation to the approval of Sound Hong Kong’s subscription for the SHK Subscription Shares, purchase of the SHK Convertible Notes and disposal of its interest in Success Pillar
“Investment Agreement”	means the agreement dated 5 September 2012 entered into between Sound Hong Kong, NCC and Nitgen in relation to, among others, the Subscription
“Investment Conditions”	means conditions precedent to completion of the Investment Agreement referred to in paragraph 1.10 headed “Investment Conditions” in this announcement
“Korea”	means the Republic of Korea
“KOSDAQ”	the Korean Securities Dealers Automated Quotations, a trading board of the Korean Exchange
“KRW”	means Korean Won, the lawful currency of Korea
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“LPG”	means liquefied petroleum gas
“Market Trial Period”	means the market trial period of the Subsidiaries of 3 months immediately preceding 1 August 2012 during which the operations of the Subsidiaries were validated and the clientele of the Subsidiaries was established through market trials and business promotion
“NCC”	means New Concept Capital limited, a wholly-owned subsidiary of AV Concept incorporated in Hong Kong
“NCC Bonds”	means the Convertible Bonds in the principal sum of US\$7,425,373 to be purchased by NCC under the Investment Agreement
“NCC Subscription Shares”	means the 6,000,000 Nitgen Shares to be subscribed by NCC under the Investment Agreement

“Nitgen”	means Nitgen&Company Co., Ltd., a company incorporated in Korea whose common shares are listed on KOSDAQ
“Nitgen Lighting”	means Nitgen Lighting Limited, a wholly-owned subsidiary of Nitgen incorporated in Hong Kong with limited liability
“PRC”	means the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong and Macau
“Shares”	means shares of HK\$0.10 each in the issued capital of the Company
“Shareholder(s)”	means holder(s) of the Shares
“SHK Bonds”	means the Convertible Bonds in the principal sum of US\$10,369,124 to be purchased by Sound Hong Kong under the Investment Agreement
“SHK Subscription Shares”	means the 17,136,230 Nitgen Shares to be subscribed by Sound Hong Kong under the Investment Agreement
“Sound Hong Kong”	means Sound Hong Kong Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subsidiaries”	means Ego Time Limited, a company incorporated in the British Virgin Islands, which is a 51% subsidiary of Success Pillar, and if the context so requires, two wholly-owned subsidiaries of Ego Time which operate the marine bunkering services in Hong Kong described the paragraph 5 of this announcement headed “Information on Success Pillar”
“Subscription”	means the subscription of the Subscription Shares and the purchase of the Convertible Bonds by Sound Hong Kong and NCC under the Investment Agreement
“Subscription Shares	means collectively the SHK Subscription Shares and the NCC Subscription Shares

“Success Pillar” means Success Pillar Limited a company incorporated with limited liability in British Virgin Islands the share capital of which is held as to 65% by Sound Hong Kong and 35% by NCC

“US\$” means United States Dollars, the lawful currency of the United States of America

For the purpose of this announcement, amounts quoted in US\$ have been converted into HK\$ at a rate of US\$1.00 to HK\$7.77 and amounts quoted in KRW have been converted into HK\$ at a rate of KRW146 to HK\$1.00. Such exchange rates has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
Shum Siu Hung
Chairman

Hong Kong, 5 September 2012

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Hung, Mr. Lawrence Shum Chun, Mr. Raymond Chiu Sing Chung, Mr. Cen Ziniu, Mr. Siu Ka Fai, Brian, and Mr. Wang Jian, being the Executive Directors, Mr. Anthony Cheung Kwan Hung, Mr. Benedict Chan Yuk Wai and Dr. Xu Mingshe being the Independent Non-executive Directors.