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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)

Website: <http://www.newoceanhk.com>

### **CONNECTED TRANSACTION EXERCISE OF PUT-BACK OPTION UNDER THE NEW SUBSCRIPTION AGREEMENT**

The Board announces that on 3 October 2012 NewOcean Resources, a subsidiary of the Company, received a notice from the Subscriber for the exercise of the Put-back Option granted under the New Subscription Agreement, pursuant to which NewOcean Resources is required to repurchase (or procure the purchase) from the Subscriber the New Subscription Shares. The New Subscription Shares represent 10% of the issued shares in the capital of NewOcean Resources that was subscribed by the Subscriber under the New Subscription Agreement. Under the New Subscription Agreement, the repurchase consideration is equal to the New Subscription Price of HK\$40,000,000 originally paid by the Subscriber, with interest of 5% per annum calculated from 1 January 2010 to the date of payment of the repurchase consideration.

The grant of the Put-back Option has been announced by the Company on 8 April 2010 in accordance with Chapter 14A of the Listing Rules, and this announcement in relation to its exercise is made pursuant to the requirement of Rule 14A.69(2) of the Listing Rules. Further, as the Subscriber is a connected person of the Company and the applicable percentage ratios exceed 1% but are below 5%, the exercise of the Put-back Option constitutes a connected transaction but is subject only to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement dated 8 April 2010 (the “**Announcement**”) and the circular of the Company dated 28 April 2010 relating, among other matters, to the New Subscription Agreement. Terms used in this announcement have the same meanings as defined in the Announcement unless otherwise required by the context.

## **1. BACKGROUND**

On 8 April 2010 NewOcean Hong Kong, the Subscriber and NewOcean Resources entered into the New Subscription Agreement. In accordance with the New Subscription Agreement the Subscriber subscribed for, and NewOcean Resources issued and allotted to the Subscriber the New Subscription Shares. Under the New Subscription Agreement the Subscriber has the right to require NewOcean Resources to repurchase, or procure the purchase of, all the New Subscription Shares during certain periods, including the period commencing on 1 July 2012 and ending 6 months after that day. As a term of the New Subscription Agreement, the Subscriber may exercise the Put-back Option during this period if the shares of NewOcean Resources are not separately listed on the main board of the Stock Exchange on or before 1 July 2012.

During the last two years, due to the successful opening up of various end-user markets by the Group, including the establishment of bottled LPG operations in Macau and very shortly in Hong Kong, acquisition of a chain of auto gas refueling stations in and around Guangzhou, and the commencement of marine bunkering services in Hong Kong, coupled with the impending completion of the oil products depot in the Group's sea terminal in Zhuhai, the development strategy of the Company is now centered around a comprehensive development of all sectors of the Group's energy business. Accordingly the proposal for separate listing of the business of retail sales of bottled LPG operated by NewOcean Resources contemplated under the New Subscription Agreement has been put in abeyance. For this reason, under the New Subscription Agreement the Subscriber is entitled at its discretion to exercise the Put-back Option.

## **2. EXERCISE OF THE PUT-BACK OPTION**

### **2.1 Date**

3 October 2012

### **2.2 Parties**

(a) The Subscriber, as vendor of the New Subscription Shares

The Subscriber is an investment holding company incorporated in the British Virgin Islands. The Subscriber is currently a substantial shareholder of NewOcean Resources on account of its 10% interest in NewOcean Resources and is therefore a connected person of the Company under the Listing Rules.

(b) NewOcean Resources, as purchaser (or procurer for the purchase) of the New Subscription Shares.

NewOcean Resources is an indirect subsidiary of the Company currently owned as to 90% by the Group and as to 10% by the Subscriber.

### **2.3 The repurchase**

NewOcean Resources is required to repurchase, or procure the purchase of the New Subscription Shares, being 5,000 shares in NewOcean Resources currently held by the Subscriber representing 10% of its issued share capital as enlarged by the New Subscription.

### **2.4 Repurchase consideration:**

HK\$40,000,000 to be paid to the Subscriber by NewOcean Resources, being the same amount originally paid by the Subscriber for the New Subscription Shares. In addition, as provided in the New Subscription Agreement, interest equal to 5% per annum shall be paid to the Subscriber calculated from 1 January 2010 to the date of payment of the repurchase consideration.

The repurchase consideration will be financed by internal resources of the Group.

### **2.5 Completion of the repurchase**

Within 15 days from the service of the notice of the exercise of the Put-back Option, on completion an amount of HK\$20,000,000 shall be paid to the Subscriber.

The balance of the repurchase consideration shall be paid within 30 days from the service of the notice of the exercise of the Put-back Option, together with interest on the repurchase consideration.

The Company intends that the repurchase will be effected by NewOcean resources procuring NewOcean Hong Kong, a wholly-owned subsidiary of the Company, to acquire the New Subscription Shares. Immediately following completion of the repurchase, NewOcean Resources will be owned as to 100% by the Group.

## **3 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.

#### 4 INFORMATION ON NEWOCEAN RESOURCES

NewOcean Resources was incorporated in the British Virgin Islands on 18 November 2009. The principal business of NewOcean Resources is the retail sales of bottled LPG. The unaudited consolidated financial highlights and operating results of NewOcean Resources and the Retailing Companies for the two years ended 31 December 2011 and 2010, and the six months ended 30 June 2012 are as follows:

	<b>6 months ended 30 June 2012</b>	<b>12 months ended 31 December 2011</b>	<b>12 months ended 31 December 2010</b>
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Turnover	2,218,115	4,523,462	2,868,416
Net (loss) profit before tax	(7,043)	(21,104)	29,025
Net (loss) profit after tax	(8,227)	(29,309)	17,094
	<b>As at 30 June 2012</b>	<b>As at 31 December 2011</b>	<b>As at 31 December 2010</b>
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Total Assets	2,376,648	1,721,101	1,103,461
Total Liabilities	2,254,170	1,586,723	957,100
Net Assets	122,478	134,378	146,361
Non-controlling Interests	1,990	2,001	1,907
Equity Attributable to Equity Holders	120,488	132,377	144,454

#### 5. OTHER INFORMATION

The grant of the Put-back Option has been announced by the Company on 8 April 2010 in accordance with Chapter 14A of the Listing Rules, and this announcement relating to its exercise is made pursuant to the requirement of Rule 14A.69(2) of the Listing Rules. Further, as the Subscriber is a connected person of the Company and the applicable percentage ratios exceed 1% but are below 5%, the exercise of the Put-back Option constitutes a connected transaction for the Company, but the transaction is subject only to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

By Order of the Board  
**Shum Siu Hung**  
*Chairman*

Hong Kong, 5 October 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.*

*\* for identification purposes only*