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

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHT

- Revenue from continuing operations increased by 15.87% to HK$14,433 million
- Profit for the year attributable to the owners of the Company from continuing operations increased by 83.37% to HK$783 million
- Basic earnings per share from continuing operations increased by 66.67% to HK$0.55
- Equity attributable to owners of the Company increased by 59.50% to HK$4,096 million

The Board of Directors (the ñBoardò) of NewOcean Energy Holdings Limited (the ñCompanyò) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the ñGroupò) for the year ended 31 December 2013 together with comparative figures for the year ended 31 December 2012 as follows:

* *For identification purposes only.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND

OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	**2013** **HK$'000**	2012 *HK$'000*
Continuing operations			
Revenue	*4*	**14,433,446**	12,456,376
Cost of sales		**(13,217,938)**	(11,398,888)
Gross profit		**1,215,508**	1,057,488
Net exchange gain (loss)	*6*	**172,945**	(83,889)
Other income	*6*	**149,757**	143,345
Selling and distribution expenses		**(275,045)**	(227,264)
Administrative expenses		**(226,353)**	(201,909)
Impairment on goodwill recognised		**-**	(10,000)
Gain on deemed disposal of available for sale investment		**-**	23,724
Changes in fair values of convertible bonds		**(4,564)**	(701)
Changes in fair values of derivative financial instruments		**(26,793)**	19,637
Finance costs	*7*	**(206,640)**	(275,701)
Share of profit of a joint venture		**1,127**	1,219
Share of profits of associates		**12,283**	-
Profit before taxation	*9*	**812,225**	445,949
Taxation	*8*	**(29,378)**	(17,725)
Profit for the year from continuing operations		**782,847**	428,224
Discontinued operations			
Profit for the year from discontinued operations	*10*	**-**	384,317
Profit for the year		**782,847**	812,541

	Note	2013 HK$'000	2012 HK$'000
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**64,363**	(1,194)
Item that may be reclassified subsequently to profit or loss:			
Fair value loss on available for sale investment		**(19,658)**	-
		44,705	(1,194)
Total comprehensive income for the year		**827,552**	811,347
Profit (loss) for the year attributable to owners of the Company			
Continuing operations		**783,308**	426,617
Discontinued operations		**-**	384,317
		783,308	810,934
Non-controlling interests		**(461)**	1,607
		782,847	812,541
Total comprehensive income (expense) attributable to:			
Owners of the Company		**827,950**	809,740
Non-controlling interests		**(398)**	1,607
		827,552	811,347
Earnings per share	*11*		
From continuing and discontinued operations			
Basic		**HK$0.55**	HK$0.62
Diluted		**HK$0.54**	HK$0.61
From continuing operations			
Basic		**HK$0.55**	HK$0.33
Diluted		**HK$0.54**	HK$0.32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

		2013	2012
	Notes	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**1,507,951**	1,362,710
Land use rights		**246,759**	231,298
Prepaid lease payments for coast		**9,403**	9,963
Goodwill		**296,060**	289,608
Other intangible assets		**342,315**	359,036
Interests in associates		**306,327**	231,722
Interest in a joint venture		**11,893**	10,420
Available for sale investment		**136,534**	-
Deposits paid		**112,135**	1,068
Deferred tax assets		**1,358**	1,304
		2,970,735	2,497,129
Current assets			
Inventories		**732,710**	705,155
Trade debtors and bills receivable	*12*	**2,376,246**	2,069,137
Other debtors, deposits and prepayments		**751,203**	1,104,393
Amounts due from associates		**418,965**	137,084
Derivative financial instruments		**1,313**	6,906
Land use rights		**10,321**	9,515
Prepaid lease payments for coast		**872**	846
Properties held for sales		**211,541**	221,989
Properties under development for sales		**208,218**	188,060
Available for sale investment		**-**	80,809
Convertible bonds		**-**	79,971
Pledged bank deposits		**3,862,030**	4,056,010
Bank balances and cash		**1,747,612**	1,196,143
		10,321,031	9,856,018
Current liabilities			
Trade creditors and bills payable	*13*	**2,173,145**	3,258,442
Other creditors and accrued charges		**161,276**	198,788
Amount due to a joint venture		**509**	493
Derivative financial instruments		**20,302**	31,418
Tax liabilities		**40,770**	40,063
Borrowings fully secured by pledged bank deposits - repayable within one year	*14*	**2,876,760**	3,588,551
Borrowings partially secured by pledged bank deposits ï repayable within one year	*14*	**1,661,424**	31,007
Borrowings secured by other assets ï repayable within one year	*14*	**192,166**	228,987
Borrowings unsecured ï repayable within one year	*14*	**1,352,309**	2,058,250
		8,478,661	9,435,999
Net current assets		**1,842,370**	420,019
Total assets less current liabilities		**4,813,105**	2,917,148

	Notes	**2013** **HK$'000**	2012 HK$'000
Capital and reserves			
Share capital	*15*	**148,340**	130,586
Share premium and other reserves		**3,947,196**	2,437,818
Equity attributable to owners of the Company		**4,095,536**	2,568,404
Non-controlling interests		**21,261**	16,572
Total equity		**4,116,797**	2,584,976
Non-current liabilities			
Deferred tax liabilities		**144,031**	145,661
Borrowings unsecured ï repayable over one year	*14*	**552,277**	186,511
		696,308	332,172
		4,813,105	2,917,148

Notes:

1. **General Information**

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the ñStock Exchangeò). Its ultimate and immediate holding company is Uniocean Investments Limited (ñUnioceanò), a company incorporated in the British Virgin Islands. The Company acts as an investment holding company. The principal activities of the Group are sales and distribution of liquefied petroleum gas (ñLPGò), oil products business and sales of electronic products.

The functional currency of the Company is Renminbi (ñRMBò), the currency of the primary economic environment in which the Group operates. For the purpose of the consolidated financial statements and convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong dollars (ñHK$ò), the presentation currency for the consolidated financial statements.

2. **Basic of preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (ñHKFRSsò) issued by the Hong Kong Institute of Certified Public Accountants (ñHKICPAò), In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the ñListing Ruleò) and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. **Application of new and revised Hong Kong Financial Reporting Standards**

In the current year, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 ï 2011 cycle
Amendments to HKAS 1	Presentation of items of other comprehensive income
Amendments to HKFRS 7	Disclosures ï Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
HK(IFRIC) ï INT 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Groupôs financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 ñConsolidated financial statementsò, HKFRS 11 ñJoint arrangementsò, HKFRS 12 ñDisclosure of interests in other entitiesò, HKAS 27 (as revised in 2011) ñSeparate financial statementsò and HKAS 28 (as revised in 2011) ñInvestments in associates and joint venturesò, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 ñConsolidated and separate financial statementsô' that deal with consolidated financial statements and HK(SIC) - INT 12 ñConsolidation - special purpose entitiesò. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company reviewed and assessed the Group's investees in accordance with the requirements of HKFRS 10. The directors of the Company concluded that there was no impact to the Group's consolidated financial statements for the adoption of HKFRS 10.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 ñInterests in joint venturesò, and the guidance contained in a related interpretation, HK(SIC) - INT 13 ñJointly controlled entities - non-monetary contributions by venturersò, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Groupôs investment in joint arrangement in accordance with the requirements of HKFRS 11. The directors of the Company concluded that the Group's investment in 廣州市橋新燃氣有限公司, which was classified as a jointly controlled entity under HKAS 31 and accounted for using the equity method, should be classified as a joint venture under HKFRS 11 and continuous accounted for using the equity method. There was no impact to the Group's consolidated financial statements for the adoption of HKFRS 11.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the Groupôs annual consolidated financial statements for the year ended 31 December 2013.

Amendments to HKFRS 7 Disclosures - Offsetting financial assets and financial liabilities

The Group has applied the amendments to HKFRS 7 ñDisclosures - Offsetting financial assets and financial liabilitiesò for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

(a) recognised financial instruments that are set off in accordance with HKAS 32 ñFinancial instruments: Presentationò; and

(b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. The application of the amendments has had no material impact on the amounts reported in the Groupôs consolidated financial statements but has resulted in additional disclosures included in the Groupôs annual consolidated financial statements for the year ended 31 December 2013.

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 ñShare-based Paymentò, leasing transactions that are within the scope of HKAS 17 ñLeasesò, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period in the Groupõs annual consolidated financial statements for the year ended 31 December 2013. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 ñPresentation of Items of Other Comprehensive Incomeò. Upon the adoption of the amendments to HKAS 1, the Groupõs óstatement of comprehensive incomeô is renamed as the óstatement of profit or loss and other comprehensive incomeô. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010 ï 2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 ï 2013 cycle[2]
HKFRS 9	Financial instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
HK(IFRIC) ï INT 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

[3] Available for application ï the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 ñFinancial instruments: Recognition and measurementò are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ñeconomic relationshipò. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the Groupôs financial assets and financial liabilities as at 31 December 2013, the application of HKFRS 9 will affect the classification and measurement of the Groupôs available for sale investment, in which the available for sale investment will either be reclassified and measured at fair value through profit or loss or fair value through other comprehensive income.

Amendments to HKAS 32 Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ócurrently has a legally enforceable right of set-offô and ósimultaneous realisation and settlementô.

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements.

In the opinion of the directors, the application of the other new and revised standards and interpretations issued but not yet effective is not expected to have a material effect on the consolidated financial statements.

4. Revenue

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount, related taxes and returns, sales of properties and rental income of oil vessels and LPG bottles and subcontracting fee for the year. An analysis of the Groupøs revenue from continuing operations for the year is as follows:

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Sales and distribution of LPG	**11,013,807**	11,544,049
Sales of oil products	**2,472,813**	-
Sales of electronic products	**873,631**	886,410
Sales of properties	**28,500**	-
Rental of LPG bottles	**39,212**	25,917
Rental of oil vessels	**3,400**	-
Subcontracting fee	**2,083**	-
	14,433,446	12,456,376

5. Segment information

Information reported to the Chairman of the Company, being the chief operating decision maker (ñCODMò), for the purpose of resources allocation and assessment of segment performance focuses on nature and location of the goods being sold. These revenue streams and the basis of the internal reports about components of the Group are regularly reviewed by the CODM in order to allocate resources to segments and to assess their performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 December 2013, the Group is engaged in selling of oil products to wholesaler customers and leasing of oil vessels which is included in oil products business segment. The Group currently organises into the following major operating segments, each of which represents an operating and reportable segment of the Group:

1. Sales and distribution of LPG ï This segment derives its revenue from selling of LPG to various customers including industrial customers, auto-gas operators, overseas wholesaler customers, bottled LPG end-users, auto-gas end-users etc. The operation is carried out in Hong Kong, the Peopleøs Republic of China (ñPRCò) and Macau for both onshore and offshore customers.

2. Oil products business ï This segment derives its revenue from selling of oil products to wholesaler customers and leasing of oil vessels.

3. Sales of electronic products ï This segment derives its revenue from trading of electronic products such as integrated circuit and mobile phones etc.

In December 2012, the Group lost control on subsidiaries that engaged in the segment of selling of oil products to marine transportation customers in Hong Kong and thus became discontinued operations. The details of the discontinued operations are set out in note 10.

Segment revenues and results

The following is an analysis of the Groupôs revenue and results by reportable and operating segment.

For the year ended 31 December 2013

	Sales and distribution of LPG *HK$'000*	**Oil products business** *HK$'000*	**Sales of electronic products** *HK$'000*	**Consolidated** *HK$'000*
Continuing operations				
Segment revenue	**11,055,102**	**2,476,213**	**873,631**	**14,404,946**
Segment profit	**916,045**	**7,641**	**22,575**	**946,261**
Share of profits of associates	**2,586**	**9,697**	**-**	**12,283**
Share of profit of a joint venture	**1,127**	**-**	**-**	**1,127**
	919,758	**17,338**	**22,575**	**959,671**
Other income				**140,898**
Profit from property investment and development in the PRC				**11,100**
Central administration costs and directorsô salaries				**(61,447)**
Changes in fair values of derivative financial instruments				**(26,793)**
Changes in fair values of convertible bonds				**(4,564)**
Finance costs				**(206,640)**
Profit before taxation				**812,225**

For the year ended 31 December 2012

	Sales and distribution of LPG *HK$'000*	Oil products business *HK$'000*	Sales of electronic products *HK$'000*	Consolidated *HK$'000*
Continuing operations				
Segment revenue	11,569,966	-	886,410	12,456,376
Segment profit	528,246	-	87,650	615,896
Share of profit of a joint venture	1,219	-	-	1,219
	529,465	-	87,650	617,115
Other income				130,505
Central administration costs and directorsô salaries				(58,630)
Changes in fair values of derivative financial instruments				19,637
Changes in fair values of convertible bonds				(701)
Gain on deemed disposal of available for sale investment				23,724
Impairment on goodwill recognised				(10,000)
Finance costs				(275,701)
Profit before taxation				445,949

The accounting policies of the reportable segments are the same as the Group's accounting policies. All of the segment revenue reported above is from external customers, associates or a joint venture. Segment profit represents the profit earned by each segment without allocation of interest income, profit from property investment and development in the PRC, central administration costs and directorsô salaries, impairment on goodwill recognised, changes in fair values of derivative financial instruments and convertible bonds, gain on deemed disposal of available for sale investment and finance costs.

The total reportable segment revenue can be reconciled to the revenue as presented in consolidated statement of profit or loss and other comprehensive income as follows:

	2013	2012
	HK$'000	*HK$'000*
Total reportable segment revenue	**14,404,946**	12,456,376
Add: Revenue from property investment and development in the PRC	**28,500**	-
Revenue as presented in the consolidated statement of profit or loss and other comprehensive income	**14,433,446**	12,456,376

The Group has a subsidiary engages in the property investment and development in the PRC which is considered as ordinary course of business. The operating result and other financial information of this subsidiary are not reviewed by the CODM for the purpose of resources allocation and performance assessments.

Segment assets and liabilities

The following is an analysis of the Groupós assets and liabilities by operating segment:

Segment assets

Continuing operations

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Sales and distribution of LPG	**4,538,210**	4,868,880
Oil products business	**1,272,686**	591,570
Sales of electronic products	**698,448**	606,410
Total segment assets	**6,509,344**	6,066,860
Available for sale investment	**136,534**	80,809
Convertible bonds	**-**	79,971
Deferred tax assets	**1,358**	1,304
Pledged bank deposits	**3,862,030**	4,056,010
Bank balances and cash	**1,747,612**	1,196,143
Derivative financial instruments	**1,313**	6,906
Properties under development for sales	**208,218**	188,060
Properties held for sales	**211,541**	221,989
Other unallocated assets	**613,816**	455,095
Consolidated assets	**13,291,766**	12,353,147

Segment liabilities

Continuing operations

	2013	2012
	HK$'000	*HK$'000*
Sales and distribution of LPG	**2,279,918**	3,416,868
Oil products business	**4,181**	-
Sales of electronic products	**7**	15
Total segment liabilities	**2,284,106**	3,416,883
Derivative financial instruments	**20,302**	31,418
Tax liabilities	**40,770**	40,063
Deferred tax liabilities	**144,031**	145,661
Borrowings	**6,634,936**	6,093,306
Other unallocated liabilities	**50,824**	40,840
Consolidated liabilities	**9,174,969**	9,768,171

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments (other than available for sale investment, convertible bonds, deferred tax assets, pledged bank deposits, bank balances and cash, derivative financial instruments, and certain deposits paid, certain other receivables, properties under development for sales, properties held for sales and certain property, plant and equipment); and

- all liabilities are allocated to reportable segments (other than current and deferred tax liabilities, bank borrowings, derivative financial instruments and certain other payables).

The Group has allocated goodwill to the relevant segments as segment assets without allocating the related impairment of goodwill recognised to the respective segment.

Other segment information

Continuing operations

For the year ended 31 December 2013

	Sales and distribution of LPG *HK$'000*	**Oil products business** *HK$'000*	**Sales of electronic products** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Addition to non-current assets *(Note)*	**153,305**	**36,504**	**-**	**16,263**	**206,072**
Depreciation of property, plant and equipment	**71,851**	**926**	**-**	**79**	**72,856**
Amortisation of other intangible assets	**27,458**	**-**	**-**	**-**	**27,458**
Amortisation of land use rights	**2,204**	**1,079**	**-**	**7,077**	**10,360**
Amortisation of prepaid lease payments for coast	**857**	**-**	**-**	**-**	**857**
Loss on disposal and written off of property, plant and equipment	**7,208**	**-**	**-**	**-**	**7,208**

Continuing operations

For the year ended 31 December 2012

	Sales and distribution of LPG *HK$'000*	Oil products business *HK$'000*	Sales of electronic products *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Addition to non-current assets *(Note)*	876,491	-	-	-	876,491
Depreciation of property, plant and equipment	80,522	-	-	91	80,613
Amortisation of other intangible assets	27,023	-	-	-	27,023
Amortisation of land use rights	3,257	-	-	9,705	12,962
Amortisation of prepaid lease payments for coast	843	-	-	-	843
Loss on disposal and written off of property, plant and equipment	262	-	-	-	262
Amounts regularly provided to the CODM but not included in the measurement of segment profit or loss:					
Impairment of goodwill recognised	10,000	-	-	-	10,000

Note: Non-current assets excluded financial instruments and deferred tax assets.

Geographical information

The Group's operations are located in Hong Kong (country of domicile), Macau and the PRC.

Information about the Group's revenue from continuing operations from external customers is presented based on customers' location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets:

	Revenue from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (country of domicile)	**2,464,567**	318,737	**351,698**	246,178
The PRC (excluding Hong Kong)	**8,327,055**	8,742,547	**2,481,145**	2,247,935
Other Asia countries	**3,641,824**	3,395,092	**-**	1,712
Total	**14,433,446**	12,456,376	**2,832,843**	2,495,825

Note: Non-current assets excluded deferred tax assets and available for sale investment.

Information about major customers

Revenues from customers contributing over 10% of the total sales of the Group in year 2013 and corresponding figures in 2012 are as follows:

	2013	2012
	HK$'000	*HK$'000*
Customer A[1]	**N/A[3]**	1,697,320
Customer B[1]	**N/A[3]**	1,126,669
Customer C[1]	**2,083,015**	N/A[3]
Customer D[2]	**2,419,559**	N/A[3]

Notes:

1. Revenue related to the LPG business.
2. Revenue related to the oil products business.
3. The corresponding revenue did not contribute over 10% of the total sales of the Group.

6. Other income and net exchange gain (loss)

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Interest income on pledged RMB bank deposits	**104,356**	118,055
Interest income	**36,542**	12,450
Others	**8,859**	12,840
Other income	**149,757**	143,345
Net exchange gain (loss) *(Note)*	**172,945**	(83,889)

Note: The amount included net exchange gain arising from pledged RMB bank deposits for USD borrowings amounted to approximately HK$101,804,000 (2012: loss of HK$85,996,000).

7. Finance costs

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Interests on bank trust receipts loans and other bank loans	**104,440**	126,623
Interests on bank trust receipts loans and other bank loans pledged with RMB bank deposits	**66,795**	81,155
Interests on bank borrowings wholly repayable within five years	**35,405**	67,923
	206,640	275,701

8. Taxation

The amount of taxation charged to the consolidated statement of profit or loss and other comprehensive income represents:

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Other regions in the PRC		
Current tax	**35,403**	27,614
Deferred tax		
Current year	**(6,025)**	(9,889)
	29,378	17,725

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the Peopleõs Republic of China on Enterprise Income Tax (the ñEIT Lawò) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

There is no provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and other subsidiaries had no assessable profits arising in Hong Kong or the assessable profits are wholly absorbed by tax losses brought forward.

9. Profit before taxation

	2013	2012
	HK$'000	*HK$'000*
Profit before taxation from continuing operations has been arrived at after charging (crediting):		
Amortisation of land use rights (included in administrative expenses)	**10,360**	12,962
Amortisation of prepaid lease payments for coast (included in cost of sales)	**857**	843
Amortisation of other intangible assets (included in selling and distribution expenses)	**27,458**	27,023
Auditorõs remuneration	**3,657**	3,150
Depreciation of property, plant and equipment	**72,856**	80,613
Loss on disposal and written off of property, plant and equipment	**7,208**	262
Minimum lease payments under operating leases:		
- Premises	**22,574**	31,898
Gross rental income from leasing of oil vessels	**(3,400)**	-
Less: Direct operating expenses	**896**	-
	(2,504)	-
Staff costs		
Directorsôfees	**330**	330
Directorsôother emoluments	**8,427**	8,593
Contributions to retirement benefits schemes excluding HK$90,000 (2012: HK$89,000) included in directorsôemoluments	**8,006**	7,652
Staff salaries and bonus	**78,323**	75,191
	95,086	91,766

10. Discontinued operations

On 5 September 2012, Sound Hong Kong Limited (ñSHKò), a wholly owned subsidiary of the Company, entered into an investment agreement (the ñInvestment Agreementò) with New Concept Capital Limited (ñNCCò) and Integrated Energy Limited (formerly known as Nitgen & Company Co., Ltd) (ñIEò). NCC is an independent third party to the Group and is a wholly owned subsidiary of a company listed on the Stock Exchange. IE is a company incorporated in Korea whose common shares are listed on Korean Securities Dealers Automated Quotations, a trading board of the Korea Exchange. Pursuant to the Investment Agreement, both SHK and NCC conditionally agreed to subscribe certain amounts of shares and convertible bonds to be issued by IE (the ñSubscriptionò). The Subscription was completed on 12 December 2012, SHK subscribed 17,136,230 IE shares at price of KRW11,070,005,000 (equivalent to approximately HK$80,809,000) and convertible bonds issued by IE at price of USD10,369,000 (equivalent to approximately HK$80,672,000).

On 5 September 2012, SHK, NCC and Nitgen Eco & Energy International Holdings Limited (ñNEEò) entered into a sales and purchase agreement (the ñDisposal Agreementò) in which SHK and NCC agreed to dispose their equity interests in Success Pillar Limited (ñSuccess Pillarò) to NEE at a total consideration of HK$ 241,180,000 (the ñDisposalò). NEE is a wholly owned subsidiary of IE. Before completion of the Disposal, SHK and NCC owned 65% and 35% of equity interest in Success Pillar respectively. Success Pillar owned 51% of Ego Time Limited (ñEgo Timeò) and the remaining 49% equity interest is owned by another wholly owned subsidiary of the Company. Ego Time is a newly set up investment holding company in May 2012 of two subsidiaries that incorporated in British Virgin Islands and engaged in the business of sales and distribution of oil products in Hong Kong. Upon completion of the Disposal on 24 December 2012, the Group lost control over Success Pillar and Ego Time. The effective interest in Ego Time reduced from 82.15% to 49%. The consideration of HK$156,767,000 and HK$84,413,000 to SHK and NCC were settled by the fund raise by IE through the Subscription.

The details of the Investment Agreement and Disposal Agreement are set out in the circular issued by the Company in accordance with Chapter 14A of the Listing Rules on 11 October 2012, and independent shareholdersôapproval was obtained at a special general meeting of the Company on 1 November 2012.

The retained equity interest in Ego Time is held by another wholly owned subsidiary treated as interests in associates to the Group. On 24 December 2012, the segment of selling of oil products to marine transportation customers in Hong Kong became discontinued operations to the Group.

	2013	2012
	HK$'000	*HK$'000*
The results of the sales and distribution of oil products for the year were as follows:		
Profit of sales and distribution of oil products	**-**	8,040
Gain on disposal of sales and distribution of oil products	**-**	376,277
	-	384,317
The results of the sales and distribution of oil products for the year, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:		
Revenue	**-**	1,005,920
Cost of sales	**-**	(967,216)
Gross profit	**-**	38,704
Other income	**-**	269
Selling and distribution expenses	**-**	(13,599)
Administrative expenses	**-**	(14,634)
Profit before taxation	**-**	10,740
Taxation	**-**	(2,700)
	-	8,040

Profit for the year from discontinued operations included the following:

	2013	2012
	HK$'000	*HK$'000*
Cost of inventories recognised as expense	**-**	967,216
Depreciation of property, plant and equipment	**-**	30
Staff salaries and bonus	**-**	2,397

During the year ended 31 December 2012, Success Pillar contributed HK$20,241,000 to the Groupôs net operating cash flows, HK$5,789,000 in respect of net cash generated from investing activities and HK$15,349,000 in respect of net cash used in financing activities.

11. Earnings per share

From continuing and discontinued operations

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

	2013	2012
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to the owners of the Company)	**783,308**	810,934

	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,425,090,095**	1,305,853,374
Effect of dilutive ordinary shares		
Share options	**22,238,462**	22,806,035
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,447,328,557**	1,328,659,409

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Earnings figures are calculated as follow:		
Profit for the year attributable to the owner of the Company	**783,308**	810,934
Less: Profit for the year from discontinued operations	**-**	(384,317)
Earnings for the purpose of basic and diluted earnings per share from continuing operations	**783,308**	426,617

The denominators used are the same as the detailed above for both basic and diluted earnings per share.

From discontinued operations

For year ended 31 December 2012, basic earnings per share for the discontinued operations was HK$0.29 per share and diluted earnings per share for the discontinued operation was HK$0.29 per share, based on the profit for the year from the discontinued operations of approximately HK$384,317,000 and denominators details above for both basic and diluted earnings per share.

12. Trade debtors and bills receivable

	2013	2012
	HK$'000	*HK$'000*
Trade debtors	**2,164,625**	1,709,600
Bills receivable	**211,621**	359,537
	2,376,246	2,069,137

As at 31 December 2013, there was no bills receivable discounted with full resource to bank. As at 31 December 2012, included in the Groupꞌs bills receivable approximately of HK$114,621,000 were discounted with full recourse to banks.

The Group allows an average credit period of 90 days. The bills receivable are matured within the range of 30 days to 180 days for the years ended 31 December 2013 and 2012. The following is an aged analysis of trade debtors and bills receivables at the end of the reporting period presented based on the invoice date, which approximated the respective revenue recognition dates:

	2013	2012
	HK$'000	*HK$'000*
0 to 30 days	**1,155,625**	1,387,388
31 to 60 days	**467,009**	306,538
61 to 90 days	**238,606**	303,795
91 to 180 days	**509,110**	67,842
Over 180 days	**5,896**	3,574
	2,376,246	2,069,137

Included in the Groupꞌs trade debtors, debtors of approximately HK$2,142,000 (2012: HK$6,300,000) denominated in USD, which is not the functional currency of the relevant group entities.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly. Included in the Group's trade debtors balance are receivables with aggregate carrying amount of approximately HK$2,273,529,000 (2012: HK$1,859,331,000), which are neither past due nor impaired.

Included in the Group's trade debtors balance are debtors with aggregate carrying amount of approximately HK$102,717,000 (2012: HK$209,806,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The trade debtors past due but not provided for were either subsequently settled as at the date of this report or no historical default of payments by the respective customers. The average age of these receivables is 129 days (2012: 79 days). As at 31 December 2013 and 2012, the Group has no provision for allowance for doubtful debts.

Ageing of trade receivables based on the invoice date which are past due but not impaired

	2013	2012
	HK$'000	*HK$'000*
61 to 90 days	**29,830**	205,932
91 to 180 days	**67,005**	300
Over 180 days	**5,882**	3,574
Total	**102,717**	209,806

13. Trade creditors and bills payable

	2013	2012
	HK$'000	*HK$'000*
Trade creditors	**1,789,966**	890,097
Bills payable	**383,179**	2,368,345
	2,173,145	3,258,442

The aged analysis of trade creditors and bills payable is as follows presented based on invoice date:

	2013	2012
	HK$'000	*HK$'000*
0 to 30 days	**881,477**	765,094
31 to 60 days	**796,791**	613,039
61 to 90 days	**154,561**	471,646
91 to 180 days	**180,928**	1,408,470
Over 180 days	**159,388**	193
	2,173,145	3,258,442

14. Borrowings

	2013	2012
	HK$'000	*HK$'000*
Bank trust receipts loans	**1,147,367**	1,519,815
Bank trust receipts loans and other bank loans (pledged with RMB bank deposits)	**4,432,760**	3,588,551
Bank trust receipts loans and other bank loans (pledged with HK$/USD bank deposits)	**105,424**	31,007
Other bank loans	**949,385**	953,933
	6,634,936	6,093,306
Repayable within one year shown under current liabilities		
Borrowings fully secured by pledged bank deposits	**2,876,760**	3,588,551
Borrowings partially secured by pledged bank deposits	**1,661,424**	31,007
Borrowings secured by other assets	**192,166**	228,987
Borrowings unsecured	**1,352,309**	2,058,250
	6,082,659	5,906,795
Repayable over one year shown under non-current liabilities		
Borrowings unsecured ï more than one year, but not exceeding two years	**318,727**	158,041
Borrowings unsecured ï more than two years, but not exceeding five years	**233,550**	28,470
	552,277	186,511
	6,634,936	6,093,306

15. Share capital

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.1 each (2012: HK$0.1 each)		
Authorised share capital:		
At 1 January 2012, 31 December 2012 and 2013	20,000,000,000	2,000,000
Issued and fully paid share capital:		
At 1 January 2012 and 31 December 2012	1,305,853,374	130,586
Issued of shares pursuant to a placement *(Note a)*	166,500,000	16,650
Issued of shares pursuant to exercise of share options *(Note b)*	11,044,842	1,104
At 31 December 2013	1,483,398,216	148,340

Notes:

(a) On 22 April 2013, arrangements were made in accordance with a placing and subscription agreement dated 17 April 2013 (the ñPlacing and Subscription Agreementò) for a private placement to independent placees of 166,500,000 shares of HK$0.10 each in the Company held by Uniocean, at a price of HK$4.68 per share representing a discount of approximately 13.49% to the closing market price of the Company's shares on 17 April 2013.

Pursuant to the Placing and Subscription Agreement, Uniocean subscribed for 166,500,000 new shares of HK$0.10 each in the Company at a price of HK$4.68 per share on 29 April 2013. The net proceeds of approximately HK$748,648,000 would be used as follows: (i) to upgrade and expand the handling capacity of LPG facilities at the Groupôs LPG terminal in Zhuhai, Guangdong Province, the PRC; (ii) for funding of the set up of Sinopec NewOcean Energy Company Limited as set out in the announcement of the Company dated 10 April 2013; (iii) for the installation of LPG or liquefied natural gas facilities in certain gas stations owned by China Petroleum and Chemical Corp; (iv) to build two propylene tanks in Zhuhai Terminal to support the upgraded sea terminal in Zhuhai, Guangdong Province, the PRC; (v) to acquire LPG bottles in relation to the Companyôs business in Hong Kong and (vi) for general capital purposes. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 21 May 2013 and rank pari passu with other shares in issue in all respects.

(b) During the year ended 31 December 2013, the Company issued and allotted a total of 11,044,842 shares of HK$0.10 each in the Company at exercise price of HK$0.625 each to certain share options holders who exercised their share options. These shares issued rank pari passu with other shares issue in all respects.

MANAGEMENT DISCUSSION AND ANALYSIS

NewOcean Energy Holdings Limited (the ñGroupò) entered a new growth phase in 2013. During the period, the Group continued to focus on the energy market in the South China region and successfully kicked off the diversification of its energy products, by expanding into liquefied petroleum gas (ñLPGò) and fuel oil and refined oil (ñoil productsò) coupled with a vast amount of preparatory work to prepare our operation for the coming of liquefied natural gas (ñLNGò). At the same time when aggressively building a development platform for our sustained expansion, the Group once again achieved outstanding results for its regular business, recording for the third consecutive year a fast growth in profits. All these showcase the increasing business size of the Group, its growing earning capacity, and the strength of its market penetration and development.

With the enormous South China energy market bringing along endless business opportunities to us, we will continue to reinforce our product diversification and will strive to attain the objective of becoming a major energy product supplier in the region.

1. Group Overall Performance

In 2013, the Group recorded a total turnover of approximately HK$14.433 billion compared to the total turnover of approximately HK$12.456 billion in 2012, representing a growth of 15.87%. Profit attributable to owners of the Company from continuing operations for the year was approximately HK$783 million. Compared to the profit attributable to owners of the Company of approximately HK$811 million in the year of 2012 (including approximately HK$384 million from discontinued operations), it represented a remarkable increase in the profit contributed by the continuing operations by 83.37%.

The Groupôs principal businesses of LPG and oil products along with its secondary business of electronics business achieved an aggregate gross profit of approximately HK$1.216 billion in 2013, representing an increase of approximately HK$159 million from the aggregate gross profit of the same period of approximately HK$1.057 billion in 2012 (an increase by approximately 15.04%), whereas the overall gross profit margin dropped slightly from 8.49% of the same period of 2012 to 8.43% of 2013.

The Group issued 166,500,000 new shares in April 2013 by way of top-up issuance. As at 31 December 2013, the Companyôs weighted average number of ordinary shares was accordingly increased to 1,425,090,095 shares (31 December 2012: 1,305,853,374 shares). Basic earnings per share (continuing operations) for 2013 was HK$ 0.55 (31 December 2012: HK$ 0.33), representing an increase of 66.67% as compared to the same period of 2012.

1.1 Segment Performance

The operating revenue from both continuing and discontinued operations of the Group for the year was mainly derived from the three businesses of LPG, oil products and electronic products. Of these, the percentage weighting of the LPG business in the total turnover decreased from 85.95% of the same period of 2012 to 76.60% of 2013, whereas the oil products business achieved a more than two-fold growth during the year, with a corresponding increase of its percentage weighting in the total turnover from 7.47% of the same period of 2012 to 17.16% of 2013. The percentage weighting of the electronic products business in the total turnover also declined from 6.58% of the same period of 2012 to 6.06% of 2013 due to the significant increase in the oil products business. In 2013, the Group has devoted considerable resources to secure stable sales targets for the future LNG business, but given that it is still in the preparatory stage, there was no turnover recorded for the LNG business for the period.

LPG Business

The Group recorded a turnover of approximately HK$11.055 billion from the LPG business in 2013, down by 4.45% from approximately HK$11.570 billion of the same period of 2012. The sales volume was approximately 1,682,000 tons, at similar level of approximately 1,676,000 tons in 2012.

Having succeeded in achieving its growth target for business volume by 2013, the Group has gradually optimised the LPG customer portfolio by promoting sales to customer groups with a high margin and cutting back the volume of business that featured a lower return. This brought a slow-down in our sales growth, but has effectively enhanced the profitability of the LPG business. During 2013, the LPG business recorded a gross profit of approximately HK$1.171 billion, representing an increase of 26.87% from approximately HK$923 million of the same period of 2012. Gross profit margin also climbed from 7.98% of 2012 to 10.59% of 2013.

Oil products Business

At the end of 2012, the Group disposed of 51% equity interests in a company (ñProject Companyò) which was set up for the purpose of exploring the marine bunkering market in Hong Kong to a company listed in Korea. The project company was turned from being a subsidiary of the Group to an associated company as a result, and the marine bunkering business operated by it in the territorial waters of Hong Kong has also ceased to be consolidated in the consolidated financial statements of the Group and treated as discontinued operations in 2012. Nevertheless, fuel oil delivered by the project company remained to be supplied by a wholly-owned subsidiary of the Group. For the entire year of 2013, the wholly-owned subsidiary supplied approximately 470,000 tons of marine fuel oil to the project company, with the Group recording a turnover of approximately HK$2.476 billion, gross profit of approximately HK$11.00 million, and a gross profit margin of merely 0.44%. Apart from this, the Group shared a profit of the associated company (before amortisation of intangible assets) of approximately HK$16.66 million under the equity method of accounting from the operation of the project company. These two revenue items summed up to a total of approximately HK$27.66 million, accounting for 1.12% of the sales of oil products.

Electronic Products Business

Our major buyer in Thailand has made business adjustments during the first half of 2013, which involved a re-positioning of its overall development such as sales items and sales products, entailing in a suspension of purchase of a large part of the electronic components and mobile phones from the Group and accordingly a plunge in the business for the first half of the year as a result. Subsequent to the completion of business restructuring in the second half of the year, there was a rebound in the orders and the turnover for the entire year amounted to approximately HK$874 million, comparable to the turnover of approximately HK$886 million for the same period of 2012. Contribution to the gross profit decreased from approximately HK$88.00 million of the same period of 2012 to approximately HK$22.29 million; whereas the gross profit margin of the electronic products business also dipped to 2.55% (same period of 2012: 9.93%).

1.2 Foreign Exchange Gain and Other Income

Since the beginning of the year the market has gradually restored its expectation for the RMB to appreciate. The change provided an opportunity for the Group to structurally match its related payment obligations against financing arrangements for the purchase of imported gas (ñStructured Matchingò), thereby reducing the cost of foreign currency exchange from RMB to USD. These savings were presented as foreign exchange gain and other income in the statements, which were equivalent to a reduction in the purchase cost of imported gas. In 2013, the foreign exchange gain of the Group amounted to approximately HK$173 million in total, of which foreign exchange gain arising from Structured Matching was approximately HK$102 million. On the other hand, the RMB deposit rate was way higher than the interest rate for USD loans with a substantially widen interest margin of the two currencies, resulting in spread income from the Structured Matching aside from the net foreign exchange gain. Other income (mainly interest income) of the Group in 2013 amounted to approximately HK$150 million in total, including interest income from Structured Matching of approximately HK$104 million. Deducting the related interest for USD loans of approximately HK$66.80 million, the spread income arising from Structured Matching was approximately HK$37.20 million in 2013. Together with the net foreign exchange gain of approximately HK$102 million, the purchase cost of LPG was reduced by approximately HK$139 million in 2013.

1.3 Cost Control

Finance costs

The Groupôs total finance costs in 2013 amounted to approximately HK$207 million, including the interest expenses from Structured Matching of approximately HK$66.80 million (same period of 2012: HK$81.20 million) set out in above item 1.2 and interest expenses of USD short-term liquid capital loan for actual operating needs of approximately HK$140 million (same period of 2012: HK$195 million). Since the beginning of the year, the Group has increased the amount of USD short-term liquid capital loan raised in Hong Kong to replace RMB loans and to satisfy the needs for RMB liquid capital in China. Due to the timely implementation of this arrangement, the Groupôs finance costs were effectively reduced. For the second half of 2013, the Group has intentionally increased the number of three-year USD bank loans to ensure the adequacy of capital and a lower financing cost to support the continually expanding business in the future years. Despite a relatively significant increase in the amount of bank finances as at the end of 2013, the financial expenditure for the entire year has decreased by approximately HK$55.00 million.

Selling and Distribution Expenses

The Groupõs total selling and distribution expenses amounted to approximately HK$ 275 million, representing an increase of approximately 21.15% compared to the selling and distribution expenses of approximately HK$227 million in 2012. The selling and distribution expenses of the Group included the salary of sales staff, depreciation for tools and equipment, rental for the land on which autogas refueling stations are located, LPG shipping costs, trucking costs, warehousing cost, and brokerage costs etc. Approximately 32% of this item came from the consolidation of Lianxin Energyõs sales cost (autogas refueling business), while 68% was attributable from expenses arising from the LPG business, oil products business and electronic products business. In accordance with the joint venture agreement entered into between the Company and China Petroleum and Chemical Corp (ñSinopecò) dated 10 April 2013, since November 2013, the Group has started to subcontract the operation of 17 autogas refueling stations of Lianxin Energy under the Group to a joint venture, Sinopec NewOcean Energy Company Limited (ñSinopec New Oceanò) established by NewOcean and Sinopec. Under this arrangement, the selling and distribution expenses of Lianxin Energy shall be entirely borne by the joint venture in 2014, this may lead to a corresponding decrease in the total selling and distribution expenses of the Group in coming future.

Administrative Expenses

The total administrative expenses of the Group amounted to approximately HK$226 million in 2013, representing an increase of approximately 11.88% as compared to the Groupõs total administrative expenses of approximately HK$202 million in 2012. The administrative expenses of the Group mainly included emolument of management staff, business trip and entertainment expenses, depreciation charge, amortisation of land use rights and professional fees etc. Administrative expenses only recorded a moderate increase during the period, with items of a more significant magnitude including: (1) emolument of management staff ï human resources were increased significantly to cater for the needs of business development (in particular the LNG autogas refueling business in joint venture with Sinopec under the joint venture agreement of 10 April 2013 referred to above). This expense accounted for 18.14% of the administrative expenses, representing an increase of about 17.00% in 2013; (2) business trip and entertainment expenses ï expenses of this area were significantly increased in response to the needs to enhance the connection with industry counterparts and to promote the establishment of business network. This expense only accounted for 7.08% of the administrative expenses, but the increase for the period was at a high level of 60.00%; and (3) professional fees ï a relatively significant increase in legal fees was entailed in relation to the preparation of loan documents and letters of legal opinion due to the completion of several consortium loans by the Group during the second half of the 2013. This expense accounted for 4.87% of the administrative expenses, and the increase for the period was 57.14%. The Group expects that part of the emolument of management staff will be shifted to the joint venture with Sinopec in 2014 after subcontracting out the autogas refueling stations; administrative expenses related to business development will continue on the rise.

1.4 Performance Conclusion

As evidenced by the overall performance of the businesses in 2013, the LPG business has obviously attained a considerable scale of operation and emphasis has been placed on further improvements in return. During the year, with the concentration of efforts by the Group in adjusting its customer portfolio, the change in turnover was not significant in contrast to the remarkable enhancement in the sales margin, which has made major contribution to the growth in profit in 2013. Via the adoption of appropriate Structured Matching, the Group has effectively lowered the foreign exchange costs during the course of making the purchase payments for imported LPG, which has in another way further enhanced the actual gross profit of the LPG business. In addition, the Group has adopted the measure of replacing RMB loans taken out in China with US dollar loans in Hong Kong, which has significantly reduced the financial expenditures in 2013, and in turn helped to push the profit of the Group in 2013.

The Group maintained strong profit growth in 2013, while at the same time promoted the development towards a diversification of energy products with the objective of turning itself into a major supplier of energy products in the region. The oil products business is currently the one business receiving the Groupōs biggest efforts. Although this business remained under the cultivation stage in 2013 without a significant profit contribution, its turnover attained an escalating growth of 2.46 times. The Group will invest more resources to expedite the perfection of the operating chain of the oil products business in order to achieve the paralleled growth in turnover and gross profit margin to generate lucrative profits to the Group.

2. Major Changes in the Financial Position

2.1 Asset Liquidity

As 31 December 2013, the Group had total current assets of approximately HK$10.321 billion, total current liabilities of approximately HK$8.479 billion, current ratio of 121.72%, representing a remarkable improvement from 104.45% of 2012. The current assets included cash of approximately HK$5.610 billion (including secured RMB deposits related to Structured Matching equivalent to approximately HK$3.859 billion), accounting for over half of the current assets and reflecting the healthy operating liquidity of the Group.

2.2 Fixed Assets, Investments and Issue of New Shares

To align with the development of product diversification, the Group invested approximately HK$380 million into purchase of fixed assets and increased the investments for the related businesses in 2013.

In April 2013, the Company issued 166,500,000 new shares by way of top-up issuance, raising approximately HK$749 million. The application of the net proceeds during the year was as follows:

Project	**Plan of use of proceeds (*HK$'000*)**	**Proceeds used during 2013 (*HK$'000*)**	**Outstanding proceeds under the plan of use (*HK$'000*)**	**Actual project progress as at 31 December 2013**
1. Expansion and upgrade of the handling capacity of its LPG facilities at the Groupôs LPG terminal in Zhuhai	388,130	44,351	343,779	Under construction
2. Registered capital of the Sinopec NewOcean joint venture	62,322	62,322	ï	The joint venture ñSinopec NewOcean Energy Company Limitedò was established on 1 September 2013
3. Installation of LPG and/or LNG facilities in certain Sinopec Guangdong branchôs gas stations	62,100	ï	62,100	Under pre-construction work
4. Building of two propylene tanks in the transit warehouse in Zhuhai Terminal	116,440	86,296	30,144	Under construction
5. Acquisition of LPG bottles and building of transit warehouse in Tuen Mun in relation to the Companyôs bottled LPG business in Hong Kong	116,440	6,808	109,632	Construction of transit warehouse in Tuen Mun was completed on 5 December 2013; the permit to use was granted by the Electrical and Mechanical Services Department on 6 December 2013; operation was commenced on the same date
6. General working capital purposes	3,216	3,216	ï	
Total	748,648	202,993	545,655	

Apart from the abovementioned approximately HK$203 million, the Group has acquired other fixed assets and land use rights amounting to approximately HK$65.80 million. In addition, the Group has also paid approximately HK$77.00 million for ordering three bunker ships and one bunker hull, and the Group has also paid approximately HK$34.20 million in relation to the construction of the headquarters in Zhuhai.

In 2013, the Group had no new real estate project. The original small project near Shenzhen is now slowly put to the market and approximately 4.71% has been disposed in 2013. All the remaining properties are expected to be disposed within 2014. The other project which is located in Zhuhai is related to establishment of the headquarters in Zhuhai by the Group, which is under construction at present. Upon completion, the Group intends to dispose of part of the property to recoup the investment in the entire project, whereas the remaining parts of the property will be used as the headquarters in Zhuhai.

2.3 Gearing Ratio

Bank loans: as at the end of 2013, the Groupôs total bank loans amounted to approximately HK$6.635 billion, including (1) US dollar loans related to Structured Matching of approximately HK$2.877 billion, (2) short-term working capital loan of approximately HK$3.206 billion, and (3) long-term working capital loan of approximately HK$552 million. Bank loans used as working capital for operating needs (total bank loans minus loans related to Structured Matching of approximately HK$2.877 billion) amounted to approximately HK$3.758 billion. The total was approximately HK$1.253 billion higher than approximately HK$2.505 billion as at the end of 2012. Increasing the amount of short-term and long-term bank loans was to raise sufficient capital at a lower financial cost to support the continuously increasing business volume.

Equity capital: due to the significant increase in profit and the share placement during the year, the shareholdersôequity has increased from approximately HK$2.585 billion as at the end of 2012 to approximately HK$4.117 billion as at the end of 2013.

Gearing ratio:

	As at 31 December 2013	As at 31 December 2012
Total bank loans	**HK$6.635 billion**	HK$6.093 billion
Bank balances and cash and pledged bank deposits	**HK$5.610 billion**	HK$5.252 billion
Shareholdersôequity	**HK$4.117 billion**	HK$2.585 billion
Bank loans / Shareholdersôequity	**161.16%**	235.71%
Net bank loans (after deducting bank balances, cash and pledged bank deposits) / Shareholdersôequity	**24.90%**	32.53%

Despite a considerable increase in the amount of bank loans of the Group in 2013, the gearing ratio remained at a substantially healthy level due to a corresponding increase in the shareholdersôequity.

3. Business Condition

3.1 LPG Business

Purchase

In 2013, approximately 962,000 tons of imported gas were purchased, representing a increase of 3.89% as compared to approximately 926,000 tons of 2012. Approximately 720,000 tons of domestic gas were purchased, representing a decrease of 4.00% as compared to approximately 750,000 tons of 2012. The total purchase of LPG in 2013 was approximately 1,682,000 tons, similar to approximately 1,676,000 tons of 2012.

Sales

Due to the adjustment of its customer portfolio by the Group from the beginning of 2013, the sales of LPG did not record a significant increase as in the past years. The sales amounted to approximately 1,682,000 tons, similar to 1,676,000 tons of the same period of 2012 with a mere increase of 6,000 tons in the sales. Nevertheless, changes in the sales to different customer groups varied:

Industrial Customers

Major customers included chemical plants, aluminum mills, air-conditioner manufacturers, lighter manufacturers, ceramics factories, glass factories, refinery plants, automobile manufacturers and other autogas refueling operators in Guangzhou. In 2013, sales to this group of customers amounted to approximately 744,000 tons, representing an increase of 24.62% as compared to approximately 597,000 tons of the same period of 2012. In a change that started from a few years back, many chemical plants have planned to replace the use of naphtha with LPG as the raw material for chemical products. Many of these chemicals plants have selected to set up their production facilities in Gaolan Port Chemical Zone, Zhuhai. With the construction of new facilities approaching completion, which will be followed by commencement of production in the coming years, there would be an enormous demand for LPG which will directly invigorate the sales of the Group. Furthermore, the Group will continue to reinforce the provision of technical and financial support to other factories in order to promote the migration from petroleum to gas, and in turn sustainably boost the sales to the industrial customers.

Overseas Customers

During 2013, sales to overseas customers amounted to approximately 350,000 tons, representing an increase of approximately 11.46% as compared to approximately 314,000 tons of the same period of 2012. Despite only a thin profit generated from this business, the Group needs to use the sales to overseas customers to timely lower inventory and mitigate the price fluctuation risk. Moreover, all the Groupôs overseas customers are renowned international petroleum companies or LPG trading companies. A close cooperation with them will help to enhance the Groupôs reputation and position on the international market.

Other Terminals and Bottling Plants

In 2013, sales to other terminals and bottling plants amounted to approximately 65,000 tons, representing a decrease of 76.10% as compared to approximately 272,000 tons of 2012. Similar to the situation related to overseas customers, despite only a thin profit generated from this business, the Group needs to maintain a certain level of cooperation with its industry counterparts to enable the steady expansion of sales to terminal markets in the region.

Bottled LPG

Sales of bottled LPG of the Group increased by 11.65% to approximately 278,000 tons in 2013 (2012: approximately 249,000 tons). During the year, the Group did not acquire any bottling plant in the PRC. As at 31 December 2013, the Group continued to own and operate 16 bottling plants and 220 retail outlets located in 11 major cities in South China.

Apart from sales to household users and commercial users (including restaurants and eateries) by the bottling plants in Guangdong and Guangxi through self-owned and consignment sales points, the Group also sells bottled LPG in batches to non-contract distributors at the bottling plant. In view of the difficulty in seeking shops for setting up sales points, the Group has set up computerised customer services centre in Zhuhai in 2009. Together with the large number of bottle wagons across different areas and a highly efficient communication system, the centre forms a mobile sales point that has effectively lifted the direct sales of bottled LPG. Furthermore, the bottling plant of the Group located near Hengqin, Zhuhai has become the source of supply of some Macau bottled gas operators (including operators representing international brands), and has continued to provide stable cross border gas refueling service to Macau operators during the year.

Through Rise Smart Industrial Limited (a wholly owned subsidiary), the Group has officially commenced its bottled LPG business in Hong Kong in December 2013. On 5 December 2013, the Buildings Department of the Hong Kong Government confirmed the full completion of the construction of the transit warehouse in Tuen Mun (the Terminal). Immediately following on 6 December, the Electrical and Mechanical Services Department of the Hong Kong Government also granted the ñPermit to Useò for the transit warehouse in Tuen Mun (notifiable gas installation in accordance with the relevant provisions). At 8 p.m. on the same date, the first batch of filled LPG steel bottles was transported into Hong Kong via Huanggang Port by the Groupôs fleet of cross-border bottle wagons. Rise Smart Industrial Limited accomplished the first case of bottled LPG importation in Hong Kong in the capacity of a ñregistered gas supply companyò. The Group is the first company to make use of its LPG import terminal in Zhuhai and very large gas carriers (ñVLGCò) to import high quality LPG from the Middle East, bottle it in Shenzhen and re-export it to Hong Kong for the use by its people. Despite the commencement of the bottled LPG business in 2013, only an insignificant turnover was recorded from the around 20 days of operation.

Autogas Refueling

Through the 17 autogas refueling stations in urban areas of Guangzhou, the Group recorded sales of approximately 207,800 tons during the 10 months from January to October 2013. Starting from November, the joint venture with Sinopec Guangdong commenced official operation to operate and manage the 17 autogas refueling stations and 3 autogas refueling stations under Sinopec Guangdong (20 autogas refueling stations in total) by way of subcontract. Since then, the Group has changed from being an autogas refueling station operator to the exclusive LPG supplier to the joint venture, and has provided approximately 37,200 tons of merchandise to the joint venture during the last two months of 2013, with the annual total sales of autogas refueling of the Group amounting to approximately 245,000 tons in 2013.

3.2 Oil Products Business

Purchase of Fuel Oil

The fuel oil for our oil products business was used to be purchased from an oil company in Hong Kong (with oil storage depot in Tsing Yi Island). At the end of 2012, the Group disposed 51% equity interest of the project company that engaged in marine bunkering business in Hong Kong. Since then, the fuel oil was purchased through a wholly owned subsidiary of the Group. A total of approximately 470,000 tons of fuel oil (including approximately 418,000 tons heavy oil and approximately 52,000 tons marine diesel) was purchased in 2013. Apart from approximately 84,000 tons heavy oil being imported from Singapore, the remaining was all supplied by Shell Hong Kong, Sinopec Hong Kong and Mobil Hong Kong.

Sale of Fuel Oil

The Group’s marine bunkering services is the whole responsibility of the project company, and is provided through two main channels: (1) a floating barge (marine bunker station) anchored in Yau Ma Tei Typhoon Shelter is supplying marine diesel oil to pilot vessels in the territorial waters of Hong Kong, cruises anchoring in the Victoria Harbour, jetfoils of Cotai Water Jet sailing between Hong Kong and Macau, engineering ships in the territorial waters of Hong Kong, small cargo vessels and fishing vessels sailing between the PRC and Hong Kong. The station has oil storage of around 2,000 tons, and can refuel up to 4 vessels at the same time. This marine bunker station is also performing a contract granted by the Hong Kong Government to supply not less than 15,000,000 litres ultra-low sulphur diesel to vessels of 11 Hong Kong Government departments in two years (2013 and 2014); (2) a number of bunker ships with different loading capacities to draw up alongside anchored ships for fuel oil transfer with fuel oil from oil storage depot. The bunker ships serve import and export merchant ships, container ships, cruises and even foreign warships visiting Hong Kong.

Logistics Facilities

Despite that the Group no longer participates in the end-point sales of the marine bunkering business in Hong Kong, the Group continues to hold and develop various infrastructure and operating licenses (including the oil storage depot in Zhuhai, the application of operating license for bonded warehouses and the acquisition of a number of bunker ships completed and under construction) that are key elements in the entire supply chain. Apart from the plan to use bonded oil storage depots to facilitate the purchase of oil products, the Group owns a fleet of ship leased to the project company for the operation of the marine bunkering. The fleet owned by the Group include: one existing floating barge of 1,700 tons, 2 bunker ships (1 x 270 tons, 1 x 370 tons) and 4 bunker ships under construction (1 x 2,500 tons, 1 x 3,500 tons, 2 x 4,500 tons) . Beside the Group’s fleet, the project company also leases 6 bunker ships (1 x 200 tons, 1 x 250 tons, 2 x 300 tons, 1 x 1,100 tons, 1 x 1,200 tons) for the operation of business.

4. Business Outlook

4.1 LPG Business

As a continuance of the LPG operating strategies in 2013, the Group will move towards priority of quality over quantity in the proactive exploration of business with industrial customers, bottled LPG business (in particular bottled LPG business in Hong Kong) and autogas refueling business with higher profitability, while simultaneously reducing the wholesale business with a low profitability.

To further enhance the efficiency of logistics and delivery, the Group has added two berths (each of 5,000 tons class) and commenced construction of two propylene tanks (1 x 2,500 tons, 1 x 1,500 tons in the Group's LPG terminal in Zhuhai). The construction works in relation to warehousing, logistics and distribution will be completed in 2014 successively, by then, the logistics and distribution capacity of the Group will be greatly enhanced.

Industrial Customers

It is expected that plants using LPG as raw material for production of chemical products will successively complete construction in Gaolan Port, Zhuhai. As the LPG importation port of the Group is also located in Gaolan Port and has the ability to provide LPG of different specifications designated by the customers, the Group is able to extend a stable and timely supply to the customers in this business at the lowest logistics costs giving the Group a competitive edge in canvassing new customers.

Expansion of LPG Autogas Refueling Business

Starting from November 2013, the joint venture with the Guangdong branch of Sinopec commenced to operate and manage the 17 autogas refueling stations of the Group and 3 autogas refueling stations under Sinopec Guangdong by way of subcontract. LPG resources required by the joint venture are entirely supplied by the Group. The joint venture will invest in 5 selected existing autogas refueling stations of Sinopec Guangdong branch to install auto LPG refueling facilities. In alignment with the increases in the number of refueling stations, there will be adequate refueling facilities in Guangzhou Municipal to support automobiles renovation to replace the use of petroleum with LPG, which in turn will facilitate the smooth expansion of the LPG autogas refueling business in Guangzhou.

Bottled LPG

In respect of the bottled LPG business in the PRC, the joint venture is planning to use the existing refueling station network of Sinopec in Guangdong Province to enhance the delivery efficiency of bottled LPG. The joint venture will also combine the available land resources of Sinopec Guangdong branch and the well-established sales network of the Group to further expand and enhance the sales channels of bottled LPG, with the objective of increasing the share of both parties in the Guangdong market. The bottled LPG business in Hong Kong officially commenced in mid-December 2013, mainly relied on the contracted distributors to explore commercial and household customers in the New Territories and the Kowloon. Alliance with more distributors is the top priority at present with the expectation that the Group will increase the market size to a considerable level in the bottled LPG market in Hong Kong within three years.

4.2 Oil Products Business

Within the one year and more since the commencement of the marine bunkering business in Hong Kong by the Group in May 2012, the operation of the oil products business has achieved tangible results based on the business orientation of taking the end-point customers as the primary business target the wholesale business as the secondary.

The Group is committed to the establishment of a comprehensive operation chain for the oil products business within two year. The construction of the oil storage depots of 70,000 tons in Zhuhai Terminal has completed and is now under pre-delivery inspection. It is expected that it can commence operation in around March to April 2014. By then the Group can leverage on its logistics advantages to smoothly tap into the marine bunkering market in Zhuhai region (with the territorial waters of the PRC). On the other hand, the bunker ships ordered last year will be delivered and become available for use successively in 2014. The Group intends to lower its purchase costs through importing overseas marine fuel oil by using its self-owned oil storage depots located at the terminals and the leased warehouses, and at the same time to lower the transportation costs through enhancing the logistics efficiency in oil delivery and distribution by using the newly ordered bunker ships sailing between Zhuhai and Hong Kong. It is expected that the combination of these two measures will enable side-by-side significant increases in the sales and gross profits of the oil products business.

Besides, the Group is planning to apply for the addition of a berth of 100,000 tons within Zhuhai Terminal. Leveraging on this large berth, the Group will be able to increase the quantity and categories of the oil products being purchased while lowering the cost of sea transportation. It will also enable the mixing of oil products to further lower the purchase costs.

4.3 LNG Business

The LNG end-point market in Guangdong Province is still in the formative stage. It is expected that its demand will not be the growth track until several years later, and the application of LNG is also limited to heavy trucks instead of all types of automobiles in the market. Consistent with the Groupôs long-standing principle for the development of autogas refueling business (that is, to select prime locations for the stations and to secure customers with high usage), the Group has already set down the development direction of cooperation with terminal users (including bus companies, logistics companies, transportation companies and special vehicles etc).

In May 2013, the Group and Guangzhou Xinshui Bus Company (formerly known as Guangzhou Yiqi Bus Company) have entered into an agreement for joint construction of LNG refueling station. The parties of the cooperation intend to apply for the establishment of two LNG refueling stations within the public transport station of Xinshui Bus, in order to provide exclusive refueling services to Xinshui Busô1,000 diesel buses to be placed by LNG buses.

Also, the Group has gained the support of the relevant departments of the Government of Guangzhou Municipal which has agreed to the allocation of additional land areas to the sites of three LPG refueling stations of Lianxin Energy to be leased to the Group for the construction of new LNG stations.

The joint venture with Sinopec Guangdong branch has obtained the approval from the National Development and Reform Commission for the construction of 6 LNG refueling stations. Currently, two stations have commenced construction, and the LNG refueling station located on Guangyuan Middle Road, Guangzhou is expected to be handed over to the joint venture for operation in the second quarter this year.

As its long term plan to perfect the operation chain of LNG, the Group intends to acquire a land parcel of 100 mu in the proximity of Zhuhai Terminal, which will be reserved for the construction of LNG storage tanks by the Group for the integration of the LNG storage tanks with the terminal and transform them into a receiving terminal to serve as the key infrastructure for LNG importation.

FINAL DIVIDEND

The Directors have recommended a final dividend of HK5.7 cents per share (2012: HK3.8 cents per share) to be paid to shareholders on the register of members on 22 May 2014. Subject to shareholders' approval at the forthcoming annual general meeting to be held on 14 May 2014, the final dividend will be paid on or about 20 June 2014.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Wednesday, 14 May 2014. A notice convening the annual general meeting will be published and dispatched to the shareholders in due course in the manner required under the Listing Rules.

The Register of Members of the Company will be closed on 14 May 2014 for the purpose of ascertaining shareholders’ entitlement to attend and vote at the annual general meeting. In order to qualify for attendance and voting at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Share Registrars, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong (which will be relocated at 22/F., Hopewell Centre, 183 Queen’s Road East, Hong Kong with effect from 31 March 2014) for registration not later than 4:30 p.m. on Tuesday, 13 May 2014.

In addition, the Register of Members of the Company will be closed from Tuesday, 20 May 2014 to Thursday, 22 May 2014, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch Share Registrars, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong (which will be relocate at 22/F., Hopewell Centre, 183 Queen’s Road East, Hong Kong from 31 March 2014) for registration not later than 4:30 p.m. on Monday, 19 May 2014.

FOREIGN EXCHANGE FLUCTUATIONS

The Group derives its sales revenue principally in RMB, and its cost of sales is mainly denominated in USD and RMB. As a significant portion of the cost of sales is dominated in a different currency from the sales revenue, the Group manages its exposure to exchange risks through natural hedges between purchases and sales and appropriate use of forward exchange contracts.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at 31 December 2013 and 2012.

PLEDGE OF ASSETS

At 31 December 2013, the Group pledged its bank deposits and bills receivables amounting to approximately HK$3,862,030,000 and HK$205,916,000 (2012: HK$4,056,010,000 and HK$235,603,000) respectively to secure general banking facilities granted to the Group.

EMPLOYEES AND EMPLOYEE BENEFITS

As at 31 December 2013, the Group employed 1,135 (2012: 1,100) full time employees in Hong Kong, Macau 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 mandatory 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 if its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2013.

CORPORATE GOVERNANCE

In the opinion of the directors, throughout the year ended 31 December 2013 the Company has complied with the code provisions (the ñCG Codeò) contained in the Code on Corporate Governance Practices and Corporate Governance Report as set out in Appendix 14 of the Listing Rules with the exception that the independent non-executive directors are not appointed for a specific term as provided in the Corporate Governance Code. Under the Bye-laws of the Company, independent non-executive directors of the Company shall retire by rotation and their appointment will be reviewed when they are due for re-election. In the opinion of the directors, this arrangement meets the same objectives as the CG Code.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries of all Directors and all Directors confirmed they have complied with the required standard of dealings set out therein during the year.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed with external auditor and the 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 year ended 31 December 2013.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2013 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2013. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF RESULTS AND ANNUAL REPORT

This results announcement is published on the Company’s website at www.newoceanhk.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report for year 2013 will be dispatched to shareholders in due course and will be published at the websites of the Company and the Stock Exchange at the same time.

By order of the Board
NewOcean Energy Holdings Limited
Shum Siu Hung
Chairman

Hong Kong, 13 March 2014

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