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## **NewOcean Energy Holdings Limited**

**( 新海能源集團有限公司 )\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 342)**

**PROPOSED OPEN OFFER ON THE BASIS OF  
ONE OFFER SHARE FOR EVERY SHARE HELD ON THE RECORD DATE  
APPLICATION FOR WHITEWASH WAIVER  
AND  
RESUMPTION OF TRADING**

**Financial adviser to the Company**



**Underwriter to the Open Offer**

**Uniocean Investments Limited**

### **PROPOSED OPEN OFFER**

The Board proposed to raise approximately HK\$144.5 million before expenses, by way of the Open Offer on the basis of one Offer Share for every one existing Share held on the Record Date and payable in full upon acceptance. The Open Offer involves the issue of 481,676,687 Offer Shares at a price of HK\$0.30 per Offer Share.

The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders. To qualify for the Open Offer, all transfers of Shares with the relevant share certificates must be lodged for registration with the Registrar by 4:30 p.m. on 8 September 2008. The register of members of the Company will be closed from 9 September 2008 to 16 September 2008, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

\* for identification purpose only

Based on 481,676,687 Offer Shares, the estimated net proceeds from the Open Offer will be approximately HK\$142.2 million. The Company intends to use the net proceeds as to approximately HK\$114.0 million for reducing the Group's short term borrowings from PRC banks and as to approximately HK\$28.2 million for general working capital purposes.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite, on a fully underwritten basis, the Offer Shares not having been subscribed by the Qualifying Shareholders subject to the terms and conditions of the Underwriting Agreement.

As at the date of this announcement, there was an aggregate of 29,500,000 outstanding Share Options under the New Share Option Scheme eligible for exercise on or before the Record Date to subscribe for up to an aggregate of 29,500,000 Shares at the exercise price of HK\$0.69 per Share (subject to adjustment). Subject to the Option Holders Undertakings, each of the Option Holders (including Mr. Shum) has irrevocably undertaken not to exercise subscription rights attaching to 29,500,000 Share Options being held by each Option Holder prior to the Record Date.

### **WHITEWASH WAIVER**

Uniocean, which is the Underwriter, is beneficially owned as to 94.0% by the associates of Mr. Shum, being his spouse and certain of his family members. Uniocean has irrevocably undertaken to the Company to subscribe in full for all the Offer Shares to be provisionally allotted to it under the Open Offer and those Offer Shares not having been subscribed by the Qualifying Shareholders. In the event that upon completion of the Open Offer, no Qualifying Shareholders (other than Mr Shum) will take up any Offer Shares, the Underwriter will be required to subscribe for and take up all the Offer Shares that are not subscribed for under the Open Offer. This may result in the total shareholdings of the Underwriter, Mr. Shum and parties acting in concert with any of them increase from 155,682,400 Shares, representing approximately 32.32% of the entire issued share capital of the Company as at the date of this announcement, to 637,359,087 Shares representing approximately 66.16% of the entire issued share capital of the Company as enlarged by the Open Offer. Accordingly, the underwriting by the Underwriter will trigger an obligation on the part of the Underwriter and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by them. An application will be made by the Underwriter to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll.

### **WARNING OF THE RISKS OF DEALINGS IN THE SHARES**

**The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out in the section headed "Conditions of the Open Offer". In particular, the Open Offer is conditional upon the Whitewash Waiver having been granted by the Executive, the approval of the Open Offer, the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof as set out in the paragraph headed "Termination of the Underwriting Agreement". Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **GENERAL**

As the Open Offer will increase the issued share capital of the Company by more than 50%, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by the Independent Shareholders at the SGM. As at the date of this announcement, Uniocean and Mr. Shum are interested in an aggregate of 155,682,400 Shares, representing approximately 32.32% of the existing issued share capital of the Company and Uniocean, Mr. Shum and those who are involved in or interested in the Underwriting Agreement and the Whitewash Waiver shall abstain from voting in favour of the relevant resolutions relating to the Open Offer and the Whitewash Waiver.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver. CIMB-GK Securities (HK) Ltd has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Such appointment has been approved by the Independent Board Committee.

A circular containing, among other things, further details of (i) the Open Offer, (ii) the Whitewash Waiver, (iii) the recommendation from the Independent Board Committee to the Independent Shareholders, (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver together with (v) a notice of the SGM will be despatched to the Shareholders as soon as practicable.

Subject to the Open Offer and the Whitewash Waiver having been approved at the SGM, the Prospectus, or the Prospectus Documents, where appropriate, containing further information on the Open offer and the Whitewash Waiver will be despatched to the Shareholders as soon as practicable.

## **RESUMPTION IN TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 8 August 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 11 August 2008.

## **PROPOSED OPEN OFFER**

### **Issue statistics**

Basis of the Open Offer	:	One Offer Share for every Share held on the Record Date
Number of Shares in issue	:	481,676,687 Shares as at the date of this announcement
Number of Offer Shares	:	481,676,687 Offer Shares
Subscription price	:	HK\$0.30 per Offer Share payable in full upon acceptance
Enlarged issued share capital upon completion of the Open Offer	:	963,353,374 Shares

As at the date of this announcement, there were an aggregate of 29,500,000 outstanding Share Options eligible under the New Share Option Scheme (with the lapse of 1,000,000 Share Options held by the late Ma Man Hoi, Joseph, an ex-independent non-executive Director who had deceased on 16 June 2007) eligible for exercise on or before the Record Date to subscribe for an aggregate of 29,500,000 Shares at the exercise price of HK\$0.69 per Share (subject to adjustment). Subject to the Option Holders Undertakings, each of the Options Holders (including Mr. Shum) has irrevocably undertaken not to exercise the subscription rights attaching to 29,500,000 Share Options being held by each of them prior to the Record Date.

Of the 29,500,000 Share Options, 9,000,000 Share Options are being held by Mr. Shum and 6,000,000 and 1,000,000 Share Options are being held by Chiu Sing Chung, Raymond, the managing Director and an independent non-executive Director respectively. The remaining 13,500,000 Share Options are being held by the employees of the Group and are Independent Third Parties.

Save for the Share Options, the Company has no other outstanding options, warrants or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, but the Company will not send any PAL and EAF to the Excluded Shareholders.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 8 September 2008.

### **Closure of register of members**

The register of the Company is expected to be closed from 9 September 2008 to 16 September 2008, both dates inclusive. No transfers of Shares will be registered during the book closure period.

### **Subscription price**

The subscription price for the Offer Shares is HK\$0.30 per Offer Share, payable in full upon acceptance of the relevant provisional allotment of Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer. The Subscription Price represents:

- (i) a discount of approximately 31.82% to the closing price per Share of HK\$0.440 as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 36.58% to the average of the closing prices per Share of HK\$0.473 for the last 5 trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 37.50% to the average of the closing prices per Share of HK\$0.480 for the last 10 trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (iv) a discount of approximately 18.92% to the theoretical ex-rights price of HK\$0.370 per Share calculated based on the closing price per Share on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the current market price of the Shares. As the Offer Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Open Offer. The Directors (excluding the independent non-executive Directors whose opinion will be formed after considering the advice from the Independent Financial Adviser in this regard) consider the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one Offer Share for every Share held by the Qualifying Shareholders on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Offer Shares being applied for.

## **Status of the Offer Shares**

The Offer Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Offer Shares.

## **Fractions of the Offer Shares**

Fractional entitlements to the Offer Shares will not be issued but will be aggregated and taken up by the Underwriter.

## **Certificates of the Offer Shares**

Subject to the fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted by 13 October 2008 to those Shareholders entitled thereto by ordinary post at their own risks.

## **Rights of Excluded Shareholders**

The Company is currently making enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If based on legal opinions provided by the legal advisers, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the places of their registered addresses or the requirements of the relevant regulatory bodies or stock exchanges in those places outside Hong Kong, the Open Offer will not be available to such Overseas Shareholders. The results of the enquiries and basis for excluding the Excluded Shareholders, if any, from the Open Offer will be set out in the circular in respect of the Open Offer and the Whitewash Waiver to be despatched to the Shareholders. If they are excluded, the Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but the Company will not send any PAL and EAF to the Excluded Shareholders.

## **Application for excess Offer Shares**

Qualifying Shareholders may apply, by way of excess application, for any Offer Shares provisionally allotted but not accepted.

Applications for excess Offer Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will allocate the excess Offer Shares at their sole discretion on a fair and equitable basis, in proportion to the number of excess Offer Shares being applied for under each application, except that preference will be given to applications for less than a board lot of Offer Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders whose Shares are registered in the name of a nominee company should note that the aforesaid arrangement in relation to the allocation of excess Offer Shares will not be extended to them individually. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, they must complete the relevant registration with Tricor Secretaries Limited, the Registrar by 4:30 p.m. on 8 September 2008.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Offer Shares to be allotted and issued pursuant to the Open Offer.

Dealings in the Offer Shares in board lots of 2,000, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

### **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The principal activities of the Company are the sale and distribution of liquefied petroleum gas (“LPG”) and sale of cellular phones.

The Company will raise approximately HK\$144.5 million before expenses in the Open Offer. Based on 481,676,687 Offer Shares, the estimated net proceeds from the Open Offer will be approximately HK\$142.2 million. The Company intends to use the net proceeds as to approximately HK\$114.0 million for reducing the Group’s short term borrowings from PRC banks and as to approximately HK\$28.2 million for general working capital purposes.

According to the Company’s annual report for the year ended 31 December 2007, the Company had consolidated short term bank borrowings of approximately HK\$1,065 million (2006: approximately HK\$401.4 million) which were partly secured by pledge of cash deposits of approximately HK\$755.4 million (2006: approximately HK\$313.7 million). The consolidated net short term bank borrowings of the Company was approximately HK\$309.6 million (2006: approximately HK\$87.7 million), being the difference between the consolidated short term bank borrowings and the pledged cash deposits of the Company. As at 31 December 2007, the Company had consolidated trade creditors and bills payable of approximately HK\$381.8 million (2006: approximately HK\$284.7 million). The increase in the Group’s short term bank borrowings, bills payable and trade creditors as at 31 December 2007 was due to the increase in the Group’s cost of sales as a result of a steep rise in the LPG price during the last two years and the general growth in the Group’s trading volume.

As the major subsidiaries of the Company are operating in the PRC, the main portion of the aforesaid short term borrowings of the Group are made by banks in the PRC. In light of the upward trend in bank lending interest rates and the tightening of credits in the PRC due to the austerity measures imposed by the PRC government, the Board considers that the Open Offer is an appropriate means for the Company to raise additional funds to reduce the Renminbi interest burden on the Group, to guard against any further tightening of credits in the PRC and to improve the Group's liquidity to meet its continuing growth in trading volume. The Open Offer will strengthen the Company's capital base and enhance its financial position as well as gives the Qualifying Shareholders an opportunity to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company. In this regard, the Directors (excluding the independent non-executive Directors whose opinion will be formed after considering the advice from the Independent Financial Adviser in this regard) believe that the Open Offer is in the interests of the Group and the Shareholders as a whole.

## **UNDERWRITING ARRANGMENTS**

### **Undertakings from Mr. Shum and Uniocean**

As at the date of this announcement, Uniocean and Mr. Shum are together interested in 155,682,400 Shares, representing approximately 32.32% of the existing issued share capital of the Company. On 7 August 2008, Uniocean and Mr. Shum have irrevocably undertaken to the Company that the Shares beneficially owned by them will not be disposed of from the date of the undertaking up to and including the Record Date and that they will take up (and procure his associates to take up) their provisional allotments under the Open Offer in full, representing 155,682,400 Offer Shares. Uniocean is an investment holding company holding the Shares owned by the associates of Mr. Shum and does not carry on any business.

### **Undertakings from the Options Holders**

Options Holders of 29,500,000 Share Options have irrevocably undertaken to the Company and the Underwriter that they will not exercise their Share Options and that such Share Options will remain registered in the name of and beneficially owned by such holders from the date of such undertaking up to and including the Record Date.

### **The Underwriting Agreement**

Taking into account the undertakings from the Options Holders, the Underwriter has agreed to fully underwrite the Underwritten Shares of 325,994,287 Offer Shares at the Subscription Price. The Underwriting Agreement provides that the Underwriter will be obliged to subscribe or procure subscribers for any Offer Shares not taken up by the Qualifying Shareholders. No underwriting commission will be paid by the Company to the Underwriter. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement are fair and reasonable.



## Conditions of the Open Offer

The Open Offer is conditional, among other things, on each of the following conditions being fulfilled:

- (i) the passing of the relevant resolution(s) by the Independent Shareholders approving the Open Offer and the Whitewash Waiver at the SGM by way of poll;
- (ii) the filing of the Prospectus Documents with the Registrar of Companies in Bermuda in compliance with The Companies Act 1981 of Bermuda (as amended) before or as soon as reasonably practicable after the Prospectus Posting Date;
- (iii) the Whitewash Waiver having been granted by the Executive;
- (iv) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy each of the Prospectus Documents in the manner described in the Underwriting Agreement not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (v) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;
- (vi) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares by no later than the Prospectus Posting Date;
- (vii) compliance with and performance of all the undertakings and obligations of the Company as provided in the Underwriting Agreement; and
- (viii) compliance with and performance of all the undertakings and obligations of Mr. Shum and Uniocean as provided in the Underwriting Agreement.

Conditions set out above are not capable of being waived. If the conditions of the Open Offer under the Underwriting Agreement are not fulfilled by the relevant dates and times specified in the Underwriting Agreement (or, in each case, such later date or time as the Underwriter may agree in writing with the Company pursuant to the Underwriting Agreement), the Underwriting Agreement will terminate and no party thereto will have any claim against any other party for costs, damages compensation or otherwise save for any antecedent breaches. If the Underwriting Agreement terminates in accordance with its terms, the Open Offer will not proceed. The irrevocable undertakings by the Options Holders as described above will lapse.

## Termination of the Underwriting Agreement

The Underwriter shall have the absolute right, after reasonable consultation with the Company as the Underwriter in its sole and absolute discretion, sees fit terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Time if there occurs any of the following events:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
  - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or

- (e) the Circular, Prospectus or announcements of the Company published since the date of the Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to accept the Offer Shares provisionally allotted to it.

If, prior to 4:00 p.m. on the third Business Day after the Acceptance Time:

- (a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to 4:00 p.m. on the third Business Day after the Acceptance Time which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect and such event comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company to rescind the Underwriting Agreement.

**If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter any reasonable legal fees and other reasonable out of pocket expenses incurred by the Underwriter. If the Underwriter exercises its right to terminate the Underwriting Agreement, the Open Offer will not proceed.**

#### **WARNING OF THE RISKS OF DEALING IN THE SHARES**

**The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out in the section headed “Conditions of the Open Offer”. In particular, the Open Offer is conditional upon the Whitewash Waiver having been granted by the Executive, the approval of the Open Offer, the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof as set out in the paragraph headed “Termination of the Underwriting Agreement”. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after completion of the Open Offer is set out below:

Shareholders	As at the date of this announcement		Upon completion of the Open Offer			
	Number of Shares	Approximate %	Nil subscription by public Shareholders		100% subscription by public Shareholders	
			Number of Shares	Approximate %	Number of Shares	Approximate %
Uniocean	134,870,621	28.00%	595,735,529	61.84%	269,741,242	28.00%
Mr. Shum	20,811,779	4.32%	41,623,558	4.32%	41,623,558	4.32%
<b>Sub-total</b>	<b>155,682,400</b>	<b>32.32%</b>	<b>637,359,087</b>	<b>66.16%</b>	<b>311,364,800</b>	<b>32.32%</b>
Integrated Asset Management (Asia) Limited (Note)	30,000,000	6.23%	30,000,000	3.11%	60,000,000	6.23%
Other public Shareholders	295,994,287	61.45%	295,994,287	30.73%	591,988,574	61.45%
<b>Total</b>	<b>481,676,687</b>	<b>100.00%</b>	<b>963,353,374</b>	<b>100.00%</b>	<b>963,353,374</b>	<b>100.00%</b>

Note:

The Shares are held by Integrated Asset Management (Asia) Limited of which the beneficial shareholder is an Independent Third Party.

Saved for the Shares and Share Options being held by Uniocean, Mr. Shum and parties acting in concert with any one of them as disclosed above, there are no other shares, warrants, securities carrying conversion or subscription rights convertible into any of the Shares, options and derivatives in respect of any of the Shares as at the date of this announcement.

## PREVIOUS FUND RAISING EXERCISES OF THE COMPANY

The Company did not have any fund raising exercises in the past 12 months immediately preceding the date of this announcement.

## ADJUSTMENTS TO EXERCISE PRICES AND NUMBER OF SHARE OPTIONS

Adjustments to the exercise prices and numbers of the outstanding Share Options may be required under the relevant terms of the New Share Option Scheme. The auditors of the Company will be appointed to certify the necessary adjustments, if any, to the exercise prices and numbers of the outstanding Share Options. Further announcement will be made by the Company in this regard.

## Expected timetable

2008

Despatch of circular in respect of the Open Offer and the Whitewash Waiver	On or before 29 August
Last day of dealings in the Shares on a cum-entitlement basis	Thursday, 4 September
Commencement of dealings in the Shares on an ex-entitlement basis	Friday, 5 September
Latest time for lodging transfers of the Shares with the Registrar in order to be qualified for the Open Offer	4:30 p.m. on Monday, 8 September
Register of members closes to determine entitlements under the Open Offer (both dates inclusive)	Tuesday, 9 September to Tuesday, 16 September
Latest time for return of form of proxy for the SGM	10:00 a.m. on Sunday, 14 September
SGM to be held	10:00 a.m. Tuesday, 16 September
Record Date	Tuesday, 16 September
Announcement of the results of the SGM	by 11:00 p.m. on Tuesday, 16 September
Prospectus Posting Date	Tuesday, 16 September
Register of members re-opens	Wednesday, 17 September
Latest time for acceptance of and payment for, the Offer Shares	4:00 p.m. on Thursday, 2 October
Underwriting Agreement becomes unconditional	4:00 p.m. on Wednesday, 8 October
Announcement of results of the Open Offer to be published	by 11:00 p.m. Wednesday, 8 October
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Monday, 13 October
Certificates for the Offer Shares expected to be despatched on or before	Monday, 13 October
Dealings in Offer Shares commence on	Wednesday, 15 October

Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

## **WHITEWASH WAIVER**

Uniocean, which is the Underwriter, is beneficially owned as to 94.0% by the associates of Mr. Shum, being his spouse and certain of his family members. Uniocean has irrevocably undertaken to the Company to subscribe in full for all the Offer Shares to be provisionally allotted to it under the Open Offer and those Offer Shares not having been subscribed by the Qualifying Shareholders. In the event that upon completion of the Open offer, no Qualifying Shareholders (other than Mr Shum) will take up any Offer Shares, the Underwriter will be required to subscribe for and take up all the Offer Shares that are not subscribed for under the Open Offer. This may result in the total shareholdings of the Underwriter, Mr. Shum and any parties acting in concert with any of them increase from 155,682,400 Shares, representing approximately 32.32% of the entire issued share capital of the Company as at the date of this announcement, to 637,359,087 Shares representing approximately 66.16% of the entire issued share capital of the Company as enlarged by the Open Offer. Accordingly, the underwriting by the Underwriter will trigger an obligation on the part of the Underwriter and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by them. An application will be made by the Underwriter to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll.

It is one of the conditions of the Underwriting Agreement that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the SGM by way of poll. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed.

The Underwriter, Mr. Shum and parties acting in concert with any of them have not dealt in any securities of the Company in the six months prior to the date of this announcement.

As at the date of this announcement, (i) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Underwriter and which might be material to the Whitewash Waiver; and (ii) save for the Underwriting Agreement, there is no other agreement or arrangement to which the Underwriter is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer other than those mentioned in the section headed “Conditions of the Proposed Open Offer” or the Whitewash Waiver. Saved for Mr. Shum who has irrevocably undertaken to take up his entitlement pursuant to the Open Offer as set out in the paragraph headed “Undertakings from Mr. Shum and Uniocean”, the Underwriter or any person acting in concert with it has not received an irrevocable commitment to accept the Open Offer.

## **GENERAL**

As the Open Offer will increase the issued share capital of the Company by more than 50%, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by the Independent Shareholders at the SGM. As at the date of this announcement, Uniocean and Mr. Shum are interested in an aggregate of 155,682,400 Shares, representing approximately 32.32% of the existing issued share capital of the Company and Uniocean, Mr. Shum and those who are involved in or interested in the Underwriting Agreement and the Whitewash Waiver shall abstain from voting in favour of the relevant resolutions relating to the Open Offer and the Whitewash Waiver.

The Independent Board Committee comprising all the independent non-executive Directors has been established to make recommendations to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver respectively. Mr. Wu Hong Cho, the non-executive Director, holds 5% shareholding interest in the Underwriter and is therefore not considered to be independent regarding the Whitewash Waiver and is therefore not eligible to be a member of the Independent Board Committee. CIMB-GK Securities (HK) Ltd has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Such appointment has been approved by the Independent Board Committee.

A circular containing, among other things, further details of (i) the Open Offer, (ii) the Whitewash Waiver, (iii) recommendation from the Independent Board Committees to the Independent Shareholders, (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver together with (v) a notice of the SGM will be despatched by the Company to the Shareholders as soon as practicable.

Subject to the Open Offer being approved at the SGM, the Prospectus or Prospectus Documents, where appropriate, containing further information on the Open Offer will be despatched to the Shareholders as soon as practicable.

## **RESUMPTION IN TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 8 August 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 11 August 2008.

## **DEFINITIONS**

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

“Acceptance Time”	4:00 p.m. on 2 October 2008 (or such other date or time as may be agreed by the Company and the Underwriter in writing and specified in the Prospectus Documents), being the latest time for acceptance of the Offer Shares
“acting in concert”	has the meanings ascribed to it in the Takeovers Code
“associate(s)”	has the same meanings ascribed to it in the Listing Rules
“Board”	the board of Directors

“Business Day”	a day which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“Company”	NewOcean Energy Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued in connection with the Open Offer in the agreed form
“Excluded Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is/are in (a) place(s) outside Hong Kong, where the Directors consider it necessary or expedient not to offer the Open Offer to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors namely Mr. Cheung Kwan Hung, Anthony, Mr. Chan Yuk Wai, Benedict and Dr. Xu Mingshe established to give recommendation to the Independent Shareholders regarding the Open Offer and the Whitewash Waiver
“Independent Financial Adviser”	CIMB-GK Securities (HK) Ltd, the independent financial adviser engaged by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver



“Independent Shareholders”	Shareholders other than (i) Uniocean, Mr. Shum and his associates and those persons (if any) who are required to be abstained from voting at the SGM by the Stock Exchange; and (ii) other Shareholders (if any) who are involved or interested in the Underwriting Agreement and the Whitewash Waiver
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with any director, chief executive or substantial Shareholders of the Company and its subsidiaries or any of their respective associates
“Irrevocable Undertaking”	the Irrevocable Undertaking dated 7 August 2008 under which Uniocean and Mr. Shum have irrevocably undertaken to procure the Underwriter and his associates to subscribe for the full entitlements pursuant to the Open Offer for 155,682,400 Offer Shares under the Open Offer
“Last Trading Date”	7 August 2008, being the last trading day which was immediately prior to the suspension of trading in the Shares on 8 August 2008 on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Shum”	Mr. Shum Siu Hung, the Chairman of the Company and an executive Director
“New Share Option Scheme”	the new share option scheme adopted by the Company at a special general meeting held on 18 June 2003 to replace the Old Share Option Scheme
“Offer Share(s)”	481,676,687 new Shares proposed to be offered to the Qualifying Shareholders for subscription on the terms and subject to the conditions set out in the Underwriting Agreement and in the Prospectus
“Old Share Option Schemes”	the old share option scheme adopted by the Company on 9 April 1999
“Open Offer”	the proposed offer for subscription at the Subscription Price to be made by the Company to the Qualifying Shareholders in the proportion of one Offer Share for every Share held on the Record Date by way of an open offer upon the terms and conditions mentioned herein and more particularly described in the Prospectus Documents

“Option Holders”	Mr. Shum, being the holder of 9,000,000 Share Options, Mr. Chiu Sing Chung, Raymond, being the holder of 6,000,000 Share Options, Mr. Cheung Kwan Hung, Anthony being an independent non-executive Director and the holder of 1,000,000 Share Options and other employees of the Group, being the holders of 13,500,000 Share Options
“Option Holders Undertakings”	Irrevocable Undertakings of the Option Holders dated 7 August 2008 under which each of the Option Holder has irrevocably undertaken to the Company that they will not exercise their subscription rights attaching to the Share Options from the date of such undertaking up to and including the Record Date
“Overseas Shareholders	Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Open Offer in the agreed form
“PRC”	The People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the Open Offer prospectus expected to be dated 16 September 2008 in the agreed form
“Prospectus Documents”	the Prospectus, PAL and EAF
“Prospectus Posting Date”	16 September 2008, the date of despatch of the Prospectus Documents, or such other date as the Underwriter may agree in writing with the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	the Shareholder(s) other than the Excluded Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	16 September 2008, or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“Registrar”	Tricor Secretaries Limited, the Hong Kong branch share registrar of the Company
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held on 16 September 2008 at which resolution(s) will be proposed to consider, and if thought fit, to approve, among others, the Open Offer and the Whitewash Waiver
“Share(s)”	the existing share(s) of HK\$0.1 each in the share capital of the Company
“Share Options”	options to subscribe for Shares at an exercise price of HK\$0.69 (subject to adjustment) granted under the New Share Option Scheme
“Shareholder(s)”	the holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.30 per Offer Share pursuant to the Open Offer
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“Underwriter” or “Uniocean”	Uniocean Investments Limited, the underwriter to the Open Offer and the controlling Shareholder, is a company incorporated in the British Virgin Islands, of which 94.0% issued share capital are owned by the associates of Mr. Shum (64.0% being held by Madam Tong Shiu Ming, the spouse of Mr. Shum, 15.0% being held by Mr. Shum Chun, Lawrence and 15.0% being held by Mr. Shum Ho, Neo, who are the sons of Mr. Shum), 5.0% by Mr. Wu Hong Cho, a non-executive Director and 1% by Mr. Cen Ziniu, an executive Director
“Underwriting Agreement”	the conditional underwriting agreement, dated 7 August 2008 and entered into between the Company and the Underwriter in relation to the underwriting of the Open Offer
“Underwritten Shares”	325,994,287 Offer Shares being all Offer Shares (including the Offer Shares to which the Excluded Shareholder(s) would otherwise have been entitled) to be issued pursuant to the Open Offer less those Offer Shares which Uniocean and Mr. Shum undertaken to take up

“Whitewash Waiver”

a waiver required to be granted by the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a general offer for all the issued Shares not already owned or agreed to be acquired by the Underwriter or parties acting in concert with it which may otherwise arise as a result of the subscription of the Underwritten Shares by it under the Open Offer pursuant to the Underwriting Agreement

“%”

per cent.

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

Hong Kong, 8 August 2008

*As at the date of this announcement, the Board comprises of Mr. Shum Siu Hung, Mr. Chiu Sing Chung, Raymond, Mr. Shum Chun, Lawrence and Mr. Cen Ziniu, being the executive Directors, Mr. Wu Hong Cho being the non-executive Director, Mr. Cheung Kwan Hung, Anthony, Mr. Chan Yuk Wai, Benedict and Dr. Xu Mingshe being the independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.*