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## **NewOcean Energy Holdings Limited**

**(新海能源集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 342)**

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

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING**

**Placing Agent**



**SBI E2-CAPITAL (HK) Limited**

#### **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

On 1 December 2009, the Company, the Vendor and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to, as the placing agent of the Vendor, procure purchasers on a best effort basis for a total of up to 192,500,000 Placing Shares at the Placing Price of HK\$1.00 per Placing Share.

On 1 December 2009, the Company and the Vendor entered into the Subscription Agreement, pursuant to which the Vendor conditionally agreed to subscribe for such number of the Subscription Shares equivalent to the Placing Shares sold by the Vendor under the Placing at the Subscription Price of 1.00 per Subscription Share.

\* *For identification purposes only*

The Placing Shares represent approximately 19.98% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.65% of the issued share capital of the Company as enlarged by the Subscription. The Placing Price represents (i) a discount of approximately 15.25% to the closing price of HK\$1.18 per Share on the Last Trading Day, (ii) a discount of approximately 11.66% to the average closing price of HK\$1.132 per Share for the last five trading days up to and including the Last Trading Day and (iii) a discount of approximately 11.74% to the average closing price of HK\$1.133 per Share for the last ten trading days up to and including the Last Trading Day.

As at the date of this announcement, the Vendor holds 490,779,280 Shares, representing 50.94% of the existing issued share capital of the Company. Mr. Lawrence Shum, a director of the Company and a director and shareholder of the Vendor, personally holds 44,933,558 Shares and is deemed to be a person acting in concert with the Vendor. Assuming the Placing Shares are fully placed, the aggregate shareholding of the Vendor and persons acting in concert with it in the issued share capital of the Company will be reduced from approximately 55.61% to approximately 35.63% upon completion of the Placing but before completion of the Subscription and will be increased from approximately 35.63% to approximately 46.35% upon completion of the Placing and the Subscription.

The completion of the Placing is unconditional whereas the Subscription is conditional upon (i) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares; (ii) if necessary, the consent of the Bermuda Monetary Authority to the issue of the Subscription Shares; and (iii) completion of the Placing having occurred pursuant to the terms of the Placing Agreement.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 1 December 2009 pending the release of this announcement concerning the Placing and the Subscription. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 2 December 2009.

## **A. PLACING AGREEMENT**

**Date :** 1 December 2009

### **Parties**

- (a) The Company
- (b) The Vendor
- (c) The Placing Agent

As at the date of this announcement, the Vendor holds 490,779,280 Shares, representing 50.94% of the existing issued share capital of the Company. Mr. Lawrence Shum personally holds 44,933,558 Shares, representing 4.67% of the existing issued share capital of the Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agent is not a connected person of the Company.

### **Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent has agreed to, as the placing agent of the Vendor, procure purchasers for the Placing Shares at the Placing Price of HK\$1.00 per Placing Share on a best effort basis. A placing commission calculated based on the amount equal to the Placing Price multiplied by the number of Placing Shares placed by the Placing Agent and a management fee in the sum of HK\$900,000 are payable to the Placing Agent as consideration.

The Placing Shares represent approximately 19.98% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.65% of the issued share capital of the Company as enlarged by the Subscription.

### **Placing Price**

The Placing Price of HK\$1.00 per Placing Share was arrived at after arm's length negotiation with reference to the prevailing market price between the Vendor and the Placing Agent. It represents (i) a discount of approximately 15.25% to the closing price of HK\$1.18 per Share on the Last Trading Day, (ii) a discount of approximately 11.66% to the average closing price of HK\$1.132 per Share for the last five trading days up to and including the Last Trading Day and (iii) a discount of approximately 11.74% to the average closing price of HK\$1.133 per Share for the last ten trading days up to and including the Last Trading Day.

Assuming the Placing Shares are fully placed, the total Placing Price for all the Placing Shares is HK\$192.5 million.

The Directors (including the independent non-executive Directors) are of the opinion that the Placing Price is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **Rights of the Placing Shares**

The Placing Shares will be sold free and clear of all liens, charges and encumbrances and third party rights, and together with all rights attaching to them at the date of the Placing Agreement, including the right to receive all dividends or other distributions declared, made or paid on or after the date of the Placing Agreement.

## **Placees**

The Placing Shares shall be offered by the Placing Agent to not less than six Placees in board lots of the Shares. The Placing Agent shall use their best endeavours to ensure that the Placees and their ultimate beneficial owners shall not be connected persons of the Company and shall be third parties independent of and not connected with any connected persons of the Company. It is expected that none of the Placees will become a substantial shareholder of the Company as a result of the Placing.

## **Completion of the Placing**

The Placing is unconditional and completion of the Placing will take place on 4:00 p.m. on 4 December 2009 (or such other time as the Vendor and the Placing Agent shall agree).

## **B. SUBSCRIPTION AGREEMENT**

**Date :** 1 December 2009

### **Parties**

- (a) The Vendor as subscriber
- (b) The Company as issuer

### **Subscription Shares**

Pursuant to the Subscription Agreement, the number of Subscription Shares which the Vendor has conditionally agreed to subscribe and the Company has conditionally agreed to issue is equivalent to the number of the Placing Shares sold by the Vendor pursuant to the Placing.

The Subscription Shares will be issued pursuant to the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on 17 June 2009 (the "AGM") subject to the limit up to 192,670,674 Shares, being 20% of the total nominal amount of the share capital of the Company in issue on the date of passing the resolution at the AGM. As at the date of this announcement, no Share has been issued pursuant to the general mandate and the issue of the Subscription Shares will not require any special approval from the Shareholders.

### **Subscription Price**

The Subscription Price, which is the same as the Placing Price, is HK\$1.00 per Subscription Share. Assuming the Placing Shares are fully placed and after deduction of the placing commission, management fee and the estimated expenses in relation to the Placing and the Subscription, the net proceeds from the Subscription are estimated to be approximately HK\$188.83 million and the net price per Subscription Share will be approximately HK\$0.981.

## **Ranking of the Subscription Shares**

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects inter se and with all other Shares in issue at the time of issue and allotment of the Subscription Shares.

## **Conditions of the Subscription**

Completion of the Subscription is conditional upon:

- (a) the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such permission and listing not subsequently being revoked prior to the allotment and issue of the Subscription Shares);
- (b) if necessary, the consent of the Bermuda Monetary Authority to the issue of the Subscription Shares; and
- (c) completion of the Placing having occurred pursuant to the terms of the Placing Agreement.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

If the above conditions are not fulfilled on or prior to 5:00 p.m. on 15 December 2009, or such later date as may be agreed in writing between the Company and the Vendor, all the rights, obligations and liabilities of the Company and the Vendor under the Subscription Agreement in relation to the Subscription shall cease and determine and neither the Company nor the Vendor shall have any claim against the other in respect of the Subscription unless the Company and the Vendor shall in writing on or before 15 December 2009 jointly agree to postpone completion of the Subscription to such later date as they may agree subject to compliance with all applicable requirements under Chapter 14A of the Listing Rules (including as to approval by independent shareholders of the Company).

## **Completion of the Subscription**

Completion of the Subscription shall take place within two business days after the date upon which all conditions of the Subscription have been fulfilled (or such other time and/or date as the Vendor and the Company may agree in writing), and in any event not later than 14 days after the date of the Subscription Agreement.

### C. CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the Placing and the Subscription (assuming the Placing Shares are fully placed) are summarised as follows:

Shareholder	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Vendor	490,779,280	50.94	298,279,280	30.96	490,779,280	42.46
Lawrence Shum ( <i>Note</i> )	44,933,558	4.67	44,933,558	4.67	44,933,558	3.89
Placees	—	—	192,500,000	19.98	192,500,000	16.65
Other Shareholders	427,640,536	44.39	427,640,536	44.39	427,640,536	37.00
Total	963,353,374	100.00	963,353,374	100.00	1,155,853,374	100.00

*Note:* Mr. Lawrence Shum, a director of the Company and also a director of and a shareholder having 15% shareholding in the Vendor and personally holding 44,933,558 Shares as at the date of this announcement.

### D. REASONS FOR THE PLACING AND THE SUBSCRIPTION

Given the fast expansion of the Group's LPG business, the Directors consider that the Placing and the Subscription will provide the Company with an opportunity to raise further capital for the Company while broadening the shareholder's base and the capital base of the Company. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement and the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

## **E. USE OF PROCEEDS OF THE SUBSCRIPTION**

Assuming the Placing Shares are fully placed and after deduction of the placing commission, management fee and the estimated expenses in relation to the Placing and the Subscription, the net proceeds from the Subscription are estimated to be approximately HK\$188.83 million. The Directors intend to use approximately HK\$130 million of the net proceeds for the Group's capital expenditure in relation to the expansion LPG facilities at the Group's LPG terminal in Zhuhai, China and the setting up of a LPG retailing support centre in Zhuhai, China and the remainder for general working capital purposes.

## **F. FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

The Company has not conducted any fund raising exercise during the past twelve months preceding the date of this announcement.

## **G. DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE**

Mr. Lawrence Shum, a director of the Company and a director and shareholder of the Vendor, personally holds 44,933,558 Shares and is deemed to be a person acting in concert with the Vendor. As a result of the Placing, the aggregate percentage shareholding of the Vendor and persons acting in concert with it will reduce from 55.61% to 35.63% (a decrease of approximately 19.98%) and as a result of the Subscription, their aggregate percentage shareholding will be increased from 35.63% to 46.35% (an increase of approximately 10.72%). Accordingly, the Vendor would be required to make a general offer under Rule 26 of the Takeovers Code unless a waiver from the SFC is granted. Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with him has continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction. Given the Vendor and persons acting in concert with it have continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing, a waiver under Rule 26 of the Takeovers Code is not required.

## **H. RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 1 December 2009 pending the release of this announcement concerning the Placing and the Subscription. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 2 December 2009.

## I. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board” or “Director(s)”	the board of directors of the Company;
“Company”	NewOcean Energy Holdings Limited (新海能源集團有限公司) *, a company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“LPG”	Liquefied Petroleum Gas;
“Last Trading Day”	30 November 2009, being the last trading day prior to the date of the Placing Agreement and the Subscription Agreement;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. Lawrence Shum”	Mr. Shum Chun, Lawrence, a director of the Company and a director and shareholder of the Vendor;
“Placees”	any not less than six professional, institutional and/or corporate investors whom the Placing Agent or its agent(s) has procured to purchase any of the Placing Shares;
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement;



“Placing Agent”	SBI E2-Capital (HK) Limited;
“Placing Agreement”	the placing agreement dated 1 December 2009 between the Company, the Vendor and the Placing Agent;
“Placing Price”	HK\$1.00 per Placing Share;
“Placing Shares”	a maximum of 192,500,000 existing Shares beneficially owned by the Vendor to be sold by the Vendor pursuant to the Placing Agreement;
“SFC”	Securities and Futures Commission;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the conditional subscription by the Vendor of the Subscription Shares pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 1 December 2009 between the Company and the Vendor;
“Subscription Price”	HK\$1.00 per Subscription Share;
“Subscription Shares”	such number of new Shares equivalent to the number of the Placing Shares sold by the Vendor pursuant to the Placing;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;

“Vendor”

Uniocean Investments Limited, a company incorporated in the British Virgin Islands and is owned as to 64% by Tong Shiu Ming, 15% by Mr. Lawrence Shum, 15% by Shum Ho, Neo, 5% by Wu Hong Cho and 1% by Cen Ziniu. Tong Shiu Ming is the spouse of, and Shum Chun, Mr. Lawrence Shum and Shum Ho, Neo are the sons of, Shum Siu Hung, a Director. Mr. Lawrence Shum, Wu Hong Cho and Cen Ziniu are Directors;

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong.

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

Hong Kong, 1 December 2009

*List of all directors of the Company as of the time issuing this announcement:*

*Executive Directors:*

Shum Siu Hung (*Chairman*)

Shum Chun, Lawrence (*Managing Director*)

Chiu Sing Chung, Raymond

Cen Ziniu

Cai Xikun

Siu Ka Fai, Brian

Wang Jian

*Non-executive Director:*

Wu Hong Cho

*Independent Non-executive Directors:*

Cheung Kwan Hung, Anthony

Chan Yuk Wai, Benedict

Dr. Xu Mingshe