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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 FOR NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**

#### **Placing Agents**



**VC BROKERAGE LIMITED**  
滙盈證券有限公司



**KingswayGroup**

#### **PLACING AGREEMENT**

After trading hours on 1 November 2010, the Vendors, the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Vendors have agreed to place, and the Placing Agents have agreed to procure not less than six Placees in total, on a best effort basis, for the purchase of up to 150,000,000 Shares at the Placing Price of HK\$1.78 per Placing Share. The maximum number of the Placing Shares represents (i) about 12.98% of the Company's existing issued share capital of 1,155,853,374 Shares and (ii) about 11.49% of the issued share capital of the Company of 1,305,853,374 Shares as enlarged by the issue of the Subscription Shares.

\* For identification purpose only

## **SUBSCRIPTION AGREEMENT**

After trading hours on 1 November 2010, the Vendors and the Company entered into the Subscription Agreement pursuant to which the Vendors have agreed to subscribe for such number of Subscription Shares which is equivalent to the number of Placing Shares actually placed, being a maximum number of 150,000,000 Subscription Shares in aggregate, at the Subscription Price of HK\$1.78 per Subscription Share.

The Subscription is conditional upon (i) the completion of the Placing; (ii) the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and (iii) the SFC Executive granting the SFC Waiver.

Under rule 14A.31(3)(d) of the Listing Rules, the Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 15 November 2010. If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, it will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the Listing Rules.

## **SFC WAIVER**

As at the date of this announcement, the Vendors and their respective parties acting in concert are beneficially interested in a total of 540,712,838 Shares representing approximately 46.78% of the existing issued share capital of the Company. The shareholding of the Vendors and their respective parties acting in concert in the Company will decrease to approximately 33.80% immediately following completion of the Placing but will then increase to approximately 41.40% upon completion of the Subscription. The Subscription for the Subscription Shares will trigger an obligation of Uniocean and its parties acting in concert to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by them, unless the SFC Waiver has been obtained from the SFC Executive.

As a result, an application will be made by Uniocean and its parties acting in concert to the SFC Executive for the SFC Waiver.

**If the SFC Waiver is not obtained, the Subscription will lapse and will not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

Further announcement will be made by the Company upon completion of the Placing and the Subscription.

## **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 2 November 2010 pending 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 3 November 2010.

## **PLACING AGREEMENT**

### **Date**

1 November 2010 (after trading hours)

### **Parties**

The Vendors, the Company and the Placing Agents

### **The Vendors**

The Vendors are Uniocean and Mr. Shum.

Uniocean is a substantial shareholder (as defined under the Listing Rules) of the Company. As at the date of this announcement, Uniocean is the beneficial owner of 490,779,280 Shares, representing approximately 42.46% of the entire issued share capital of the Company.

Mr. Shum is an executive Director and a director and a shareholder of Uniocean owning 15% of its issued share capital. As at the date of this announcement, Mr. Shum is the beneficial owner of 49,933,558 Shares, representing approximately 4.32% of the entire issued share capital of the Company and is deemed to be a party acting in concert with Uniocean for the purposes of the Takeovers Code.

The Vendors and their respective parties acting in concert are therefore beneficially interested in a total of 540,712,838 Shares, representing approximately 46.78% of the existing issued share capital of the Company.

### **Placing Agents**

The Placing Agents are VC Brokerage Limited and Kingsway Financial Services Group Limited. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agents are third parties independent of and not connected with the Company and its connected persons.

The placing obligations of the Placing Agents shall be several (and not joint or joint and several) and the Placing Agents have agreed to purchase, or procure the Placees to purchase, the Placing Shares on a best effort basis.

Each of the Placing Agents will be entitled to receive a placing agent commission of 1% on the gross proceeds equal to the Placing Price multiplied by the number of Placing Shares being actually placed. The placing agent commission of 1% was arrived at after arm's length negotiations between the Company and the Placing Agents.

### **Placing Shares**

Uniocean and Mr. Shum have agreed to place, and the Placing Agents have agreed to procure, on a best effort basis, for the purchase of up to, 120,612,000 and 29,388,000 Placing Shares, respectively. The maximum number of the Placing Shares, being 150,000,000 Placing Shares, represents (i) about 12.98% of the Company's existing issued share capital of 1,155,853,374 Shares and (ii) about 11.49% of the issued share capital of the Company of 1,305,853,374 Shares as enlarged by the issue of the Subscription Shares.

### **Placees**

The Placing Agents have agreed to place the Placing Shares, on a best effort basis, to the Placees who are independent of and not connected with the Company, the Vendors, the Directors, chief executive and substantial shareholders of the Company, its subsidiaries and their respective associates (as defined in the Listing Rules) nor parties acting in concert with any of them.

It is expected that there will be not less than six Placees. In the event that the number of the Placees falls below six, information of the Placees will be disclosed in further announcement of the Company in accordance with the Listing Rules.

### **Placing Price**

The Placing Price of HK\$1.78 per Placing Share represents a discount of approximately 6.81% to the closing price of HK\$1.91 per Share as quoted on the Stock Exchange on 1 November 2010, a discount of approximately 6.81% to the average closing price of HK\$1.91 per Share as quoted on the Stock Exchange during the five trading days immediately preceding and including 1 November 2010 and a discount of approximately 4.86% to the average closing price of HK\$1.87 per Share as quoted on the Stock Exchange during the ten trading days immediately preceding and including 1 November 2010.

The Placing Price was determined with reference to the prevailing market price of the Shares and was fixed following arm's length negotiation between the Company and the Placing Agents on the date of the Placing Agreement.

### **Completion**

The Placing is unconditional and completion of the Placing will take place on the Closing Date.

The Placing Shares will be sold free of any third party rights and together with all dividends and distributions declared, made or paid after the Closing Date.

### **Termination**

If at any time at or prior to 9:30 a.m. (Hong Kong time) on the Closing Date:

- (A) in the reasonable opinion of the Placing Agents there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic or market (including stock market) conditions or taxation or currency exchange or exchange controls as would be likely to be materially adverse to the success of the Placing; or
- (B) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendors of any other provision of the Placing Agreement; or
- (C) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agents is material in the context of the Placing;

then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company and/or to the Vendors by giving notice in writing to the Vendors, provided that such notice is received prior to 4:00 p.m. on the Closing Date.

### **SUBSCRIPTION AGREEMENT**

#### **Date**

1 November 2010 (after trading hours)

#### **Parties**

The Company and the Vendors

#### **Subscription Shares**

Uniocean and Mr. Shum have agreed to subscribe for up to 120,612,000 and 29,388,000 Subscription Shares, respectively, being such number of Subscription Shares which is equivalent to the number of Placing Shares actually placed by them respectively, being a maximum number of 150,000,000 Subscription Shares (nominal value of such shares being HK\$15,000,000).

The Subscription Shares, when fully paid, will rank pari passu in all respects with the existing issued Shares.

## **Subscription Price**

The Subscription Price is HK\$1.78 per Subscription Share. The Subscription Price is the same as the Placing Price and was determined after arm's length negotiation between the Company and the Vendors with reference to the Placing Price.

The Company is liable for the costs and expenses and out-of-pocket expenses incurred in connection with the Placing, the Subscription and any associated transactions, and will reimburse the Vendors for all costs and expenses properly incurred by the Vendors in connection with the Placing and the Subscription.

## **General Mandate**

The Subscription Shares will be issued and allotted pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 15 June 2010. Pursuant to the General Mandate, the Directors were authorized to allot and issue up to 231,170,674 Shares. Up to the date of this announcement, no Shares have been issued pursuant to the General Mandate. Accordingly, the issue of the Subscription Shares is not subject to any approval by the Shareholders.

## **Conditions of the Subscription**

The Subscription is conditional upon (i) the completion of the Placing; (ii) the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares; and (iii) the SFC Executive granting the SFC Waiver.

If the conditions are not fulfilled on or prior to 15 November 2010 or such later date as may be agreed between the Company and the Vendors, the Subscription Agreement shall terminate and neither of the parties thereto will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreement.

## **Completion**

Under rule 14A.31(3)(d) of the Listing Rules, the Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 15 November 2010. If completion of the Subscription does not take place within 14 days after the date of the Placing Agreement, it will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the Listing Rules.

## **SFC WAIVER**

Mr. Shum, an executive Director and a director and a shareholder of Uniocean owning 15% of its issued share capital, is deemed to be a party acting in concert with Uniocean.

As at the date of this announcement, the Vendors and their respective parties acting in concert are beneficially interested in a total of 540,712,838 Shares, representing approximately 46.78% of the existing issued share capital of the Company. The shareholding of the Vendors and their respective parties acting in concert in the Company will decrease to approximately 33.80% immediately following completion of the Placing but will then increase to approximately 41.40% upon completion of the Subscription. The Subscription for the Subscription Shares will trigger an obligation of Uniocean and its parties acting in concert to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by them, unless the SFC Waiver has been obtained from the SFC Executive.

As a result, an application will be made by Uniocean and its parties acting in concert to the SFC Executive for the SFC Waiver.

**If the SFC Waiver is not obtained, the Subscription will lapse and will not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

## **VENDORS' DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

Save for the acquisition of a total of 4,224,000 and 776,000 Shares by Mr. Shum on 26 August 2010 and 27 August 2010, respectively, and the entering into the Placing Agreement and Subscription Agreement, none of the Vendors and their respective parties acting in concert has acquired or disposed of any voting rights and rights over shares, convertible securities, warrants or options or outstanding derivatives in the Company during the period commencing on the date falling six months prior to the date of this announcement.

## **INFORMATION ON THE VENDORS**

Uniocean is a company incorporated in the British Virgin Islands. It is owned as to 64% by Tong Shiu Ming, 15% by Mr. Shum, 15% by Mr. Shum Ho, Neo, 5% by Wu Hong Cho and 1% by Cen Ziniu (Mr. Shum and Shum Ho, Neo are sons of Shum Siu Hung and Tong Shiu Ming). Uniocean's principal activity is investment holding.

Mr. Shum is an executive Director and a director and a shareholder of Uniocean.

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Directors have considered various ways of raising funds and consider that the Placing and the Subscription represent a suitable opportunity to raise capital for the Company and enlarge the equity base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of the Placing and the Subscription (including without limitation the Placing Price, the Subscription Price and the placing agent commission of 1%) are fair and reasonable based on the current market conditions and the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS

The maximum gross and net proceeds from the Subscription (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) are expected to be HK\$267,000,000 and approximately HK\$264,000,000, respectively. The Company intends to use the net proceeds from the Subscription as a cash reserve for the proposed acquisition of 聯新能源發展有限公司 (Lianxin Energy Development Company Limited) announced by the Company on 25 October 2010 and any unutilized portion will be used as general working capital of the Group. The net proceeds raised per Share upon completion of the Placing and the Subscription will be approximately HK\$1.76 per Share.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following are the details of the fund raising activities of the Company in the past 12 months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of the proceeds</b>
1 December 2009	Top-up Placing of 192,500,000 Shares	Approximately HK\$189 million	Approximately HK\$130 million for the Group's capital expenditure in relation to the expansion of LPG facilities at the Group's LPG terminal in Zhuhai, PRC and the setting up of a LPG retailing support centre in Zhuhai, PRC and the remainder for general working capital purposes	Approximately HK\$73 million and HK\$50 million respectively have been earmarked for the expansion of the Group's LPG terminal in Zhuhai, PRC and the setting up of a LPG retailing support centre serving Zhuhai and Macau, and approximately HK\$40 million and HK\$40 million respectively have been used for these purposes as at the date of this announcement. The remainder is being used for general working capital purposes.

Save and except for the above, the Company has not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.



## EFFECTS ON SHAREHOLDING STRUCTURE

The expected changes in the share capital and shareholding structure of the Company resulting from the Placing and the Subscription are as follows:

	Notes	Existing shareholding (as at the date of this announcement)		Shareholding immediately after the Placing but before the Subscription		Shareholding immediately after the Placing and the Subscription	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Non-Public Shareholders</b>							
Uniocean	1	490,779,280	42.46	370,167,280	32.02	490,779,280	37.58
Mr. Shum	2	49,933,558	4.32	20,545,558	1.78	49,933,558	3.82
<b>Vendors and parties acting in concert</b>							
<b>Subtotal</b>		540,712,838	46.78	390,712,838	33.80	540,712,838	41.40
Integrated Asset Management (Asia) Limited	3	80,000,000	6.92	80,000,000	6.92	80,000,000	6.13
<b>Non-Public Subtotal</b>		620,712,838	53.70	470,712,838	40.72	620,712,838	47.53
<b>Public Shareholders</b>							
The Places		—	—	150,000,000	12.98	150,000,000	11.49
Other Public		535,140,536	46.30	535,140,536	46.30	535,140,536	40.98
<b>Total</b>		<u>1,155,853,374</u>	<u>100.00</u>	<u>1,155,853,374</u>	<u>100.00</u>	<u>1,305,853,374</u>	<u>100.00</u>

### Notes

1. Uniocean is owned as to 64% by Tong Shiu Ming, 15% by Mr. Shum, 15% by Mr. Shum Ho, Neo, 5% by Wu Hong Cho and 1% by Cen Ziniu (Mr. Shum and Shum Ho, Neo are sons of Shum Siu Hung and Tong Shiu Ming).
2. Mr. Shum is an executive Director and a director and a shareholder (see Note 1) of Uniocean.
3. Integrated Asset Management (Asia) Limited (“**Integrated Asset**”) is owned as to 100% by Yam Tak Cheung who is deemed to be the controlling shareholder of Integrated Asset.

## GENERAL

The Group is principally engaged in the sale and distribution of LPG and sale of electronic products, being mainly mobile phones and electronic components.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Further announcement will be made by the Company upon completion of the Placing and the Subscription.

## **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 2 November 2010 pending 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 3 November 2010.

## **DEFINITIONS**

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

<b>“Board”</b>	the board of Directors
<b>“business day”</b>	a day (excluding Saturday, Sunday, public holiday and a day on which a tropical cyclone warning No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business to the public in Hong Kong, and <b>“business days”</b> shall be construed accordingly
<b>“Closing Date”</b>	the second business day from 3 November 2010 or such other date as may be agreed among the parties to the Placing Agreement
<b>“Company”</b>	NewOcean Energy Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 342)
<b>“connected person(s)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Director(s)”</b>	the director(s) of the Company
<b>“General Mandate”</b>	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 15 June 2010 to allot, issue and deal with up to 20% of the then issued share capital of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC

<b>“Kingsway”</b>	Kingsway Financial Services Group Limited, a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“LPG”</b>	liquefied petroleum gas
<b>“Macau”</b>	the Macau Special Administrative Region of the PRC
<b>“Mr. Shum”</b>	Mr Lawrence Shum Chun, an executive Director
<b>“Placee(s)”</b>	any professional, institutional or other investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agents’ obligations under the Placing Agreement
<b>“Placing”</b>	the placing of up to 150,000,000 Placing Shares beneficially owned by the Vendors pursuant to the Placing Agreement
<b>“Placing Agents”</b>	VC Brokerage and Kingsway collectively, each a <b>“Placing Agent”</b>
<b>“Placing Agreement”</b>	a placing agreement between the Vendors, the Company and the Placing Agents dated 1 November 2010 in relation to the Placing
<b>“Placing Price”</b>	HK\$1.78 per Placing Share
<b>“Placing Share(s)”</b>	a maximum of 150,000,000 Shares beneficially owned by the Vendors and to be placed under the Placing
<b>“PRC”</b>	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
<b>“SFC”</b>	The Securities and Futures Commission of Hong Kong
<b>“SFC Executive”</b>	the executive director of the Corporate Finance Division of the SFC or any delegate of the executive director
<b>“SFC Waiver”</b>	a waiver from the obligation of Uniocean and its parties acting in concert to make a general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code
<b>“Share(s)”</b>	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscription”</b>	the subscription for the Subscription Shares pursuant to the Subscription Agreement

“ <b>Subscription Agreement</b> ”	the subscription agreement between the Company and the Vendors dated 1 November 2010 in relation to the Subscription
“ <b>Subscription Price</b> ”	HK\$1.78 per Subscription Share
“ <b>Subscription Shares</b> ”	new Shares equivalent to the number of the Placing Shares actually placed to be subscribed by the Vendors
“ <b>Takeovers Code</b> ”	The Hong Kong Code on Takeovers and Mergers
“ <b>Uniocean</b> ”	Uniocean Investments Limited, a company incorporated in the British Virgin Islands, a substantial shareholder of the Company
“ <b>VC Brokerage</b> ”	VC Brokerage Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“ <b>Vendors</b> ”	Uniocean and Mr. Shum collectively, each a “ <b>Vendor</b> ”
“ <b>HK\$</b> ”	Hong Kong dollars, the lawful currency of Hong Kong
“ <b>%</b> ”	per cent.

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

Hong Kong, 2 November 2010

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

*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 statements in this announcement misleading.*