

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your shares in New Times Energy Corporation Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00166)

**(1) CONNECTED TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
BIG TRADE INVESTMENTS LIMITED INVOLVING THE ISSUE OF
NEW SHARES UNDER SPECIFIC MANDATE;
AND
(3) RE-ELECTION OF DIRECTORS**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 18 of this circular. A letter from the Independent Board Committee is set out on pages 19 to 20 of this circular. A letter from Donvex Capital, the independent financial adviser of the Company, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 37 of this circular.

A notice convening the SGM to be held at 3/F Nexus Building, 77 Des Voeux Road Central, Hong Kong on Monday, 18 November 2013 at 3:00 p.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM in person, you are requested to complete the form of proxy enclosed in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	19
Letter from Donvex Capital	21
Appendix I — General Information	I-1
Notice of SGM	SGM-1

DEFINITIONS

Terms or expressions used in this circular shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Acquisition”	the acquisition of the entire issued share capital of the Target by the Company pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 2 October 2013 entered into between the Company and Max Sun in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are open for the transaction of normal business but excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“Company”	New Times Energy Corporation Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	date of completion of the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration Shares”	the 90,752,900 new Shares to be allotted and issued by the Company to Max Sun pursuant to the Acquisition Agreement
“Director(s)”	the director(s) of the Company
“Donvex Capital”	Donvex Capital Limited, a corporation licensed to carry out type 6 regulated activity as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement and the Acquisition Agreement (including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Wong Man Kong, Peter, Mr. Chan Chi Yuen, Mr. Yung Chun Fai, Dickie and Mr. Chiu Wai On, established to advise the Independent Shareholders on the Subscription Agreement and the Acquisition Agreement (including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares)
“Independent Shareholders”	Shareholders other than Max Sun and its associates, Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit
“Issue Price”	the issue price of the Subscription Share pursuant to the Subscription Agreement or the Consideration Share pursuant to the Acquisition Agreement of HK\$0.61 each
“Last Trading Day”	30 September 2013, being the last trading day of the Shares immediately prior to the date of the Subscription Agreement and the Acquisition Agreement
“Latest Practicable Date”	29 October 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Max Sun”	Max Sun Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability
“NordAq”	NordAq Energy Inc, a privately held corporation formed under the laws of Delaware
“NordAq Share(s)”	fully paid and non-assessable share(s) of common voting stock of NordAq
“Sale Shares”	the 10,000 shares of par value of US\$1.00 each in the capital of the Target, representing the entire issued share capital of the Target
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Subscription Agreement, the Acquisition Agreement (including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares) and the re-election of Mr. Wong Tai Cheung, Andrew as an executive Director and Mr. Paul Lincoln Heffner as a non-executive Director
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by Max Sun pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional agreement dated 2 October 2013 entered into between the Company and Max Sun in relation to the Subscription
“Subscription Shares”	the 90,163,934 new Shares to be allotted and issued by the Company to Max Sun pursuant to the Subscription Agreement
“Target”	Big Trade Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this circular, amounts denominated in US\$ have been translated into HK\$ at an exchange rate of US\$1:HK\$7.77. No representation is made that any amounts in US\$ and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates or at all.



NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00166)

Executive Directors:

Mr. Cheng Kam Chiu, Stewart (*Chairman*)
Mr. Cheng Ming Kit (*Chief executive officer*)
Mr. Wong Tai Cheung, Andrew (*Chief financial officer*)

Non-executive Director:

Mr. Paul Lincoln Heffner

Independent non-executive Directors:

Mr. Wong Man Kong, Peter
Mr. Chan Chi Yuen
Mr. Yung Chun Fai, Dickie
Mr. Chiu Wai On

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 1007–08, 10th Floor
New World Tower I
18 Queen's Road Central
Central, Hong Kong

1 November 2013

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
BIG TRADE INVESTMENTS LIMITED INVOLVING THE ISSUE OF
NEW SHARES UNDER SPECIFIC MANDATE;
AND
(3) RE-ELECTION OF DIRECTORS**

INTRODUCTION

On 2 October 2013 (after trading hours), the Company and Max Sun entered into the Subscription Agreement pursuant to which Max Sun conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, the Subscription Shares (namely, 90,163,934 new Shares) at HK\$0.61 per Subscription Share. In addition, on 2 October 2013

* For identification purpose only

LETTER FROM THE BOARD

(after trading hours), the Company and Max Sun entered into the Acquisition Agreement pursuant to which Max Sun agreed to sell, and the Company agreed to buy, the Sale Shares at a consideration of HK\$55,359,269, which shall be satisfied by way of the allotment and issue by the Company of the Consideration Shares (namely, 90,752,900 new Shares) at HK\$0.61 per Consideration Share. The Subscription Agreement and the Acquisition Agreement were entered into simultaneously. The Subscription Agreement, the Acquisition Agreement and the transactions contemplated thereunder are subject to the approval of the Independent Shareholders at the SGM.

Pursuant to Bye-law 86(2) of the Bye-laws of the Company, Mr. Wong Tai Cheung, Andrew (“**Mr. Wong**”) will retire from office as an executive Director and Mr. Paul Lincoln Heffner (“**Mr. Heffner**”) will retire from office as a non-executive Director at the SGM and, being eligible, will offer each of themselves for re-election as an executive Director and a non-executive Director, respectively, at the SGM.

The purpose of this circular is to provide you with, among other things, (i) details of the Subscription Agreement; (ii) details of the Acquisition Agreement; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) a letter of advice from Donvex Capital to the Independent Board Committee and the Independent Shareholders; (v) information on the re-election of Mr. Wong as an executive Director and Mr. Heffner as a non-executive Director; and (vi) the notice of the SGM.

THE SUBSCRIPTION AGREEMENT

Date

2 October 2013

Parties

Issuer: The Company

Subscriber: Max Sun

Max Sun is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Max Sun held 78,730,276 Shares, representing approximately 8.26% of the total issued share capital of the Company, and 100,000,000 warrants which entitle the holders thereof to subscribe for 100,000,000 new Shares at HK\$1.05 per Share. Max Sun is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited, which is in turn controlled by Dato’ Dr. Cheng Yu Tung. As Dato’ Dr. Cheng Yu Tung is the uncle of Mr. Cheng Kam Chiu, Stewart, the Chairman and the executive director of the Company, Max Sun is therefore a connected person of the Company.

LETTER FROM THE BOARD

Subject matter

Pursuant to the Subscription Agreement, Max Sun conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, the Subscription Shares (namely, 90,163,934 new Shares) at HK\$0.61 per Subscription Share. Max Sun shall pay the aggregate subscription price of approximately HK\$55.00 million in cash to the Company on the Completion Date.

Subscription Shares

As at the Latest Practicable Date, the Company had 952,648,496 Shares in issue. Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Consideration Shares since the Latest Practicable Date, the Subscription Shares represented (i) approximately 9.46% of the issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 8.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares; and (iii) approximately 7.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares. The aggregate nominal value of the Subscription Shares is HK\$45,081,967.

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with all the Shares in issue as at the Completion Date.

The Subscription Shares will be allotted and issued under a specific mandate to be sought for approval from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Conditions precedent

Completion of the Subscription Agreement is conditional on the satisfaction or, where permitted, waiver of the following conditions on or before the Completion Date:

- (i) the granting of approval of the Subscription Agreement and the transactions contemplated thereunder by the Independent Shareholders at the general meeting of the Company in accordance with the requirements of the Listing Rules;
- (ii) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares and such approval remains valid and effective;
- (iii) all necessary bank and third party consents required to be obtained by any members of the Group in connection with the Subscription Agreement having been obtained on terms and conditions acceptable to Max Sun;
- (iv) there has been no material breach by the Company of any provision contained in the Subscription Agreement;

LETTER FROM THE BOARD

- (v) clearance of any and all announcement(s) and circular(s) by the Stock Exchange (if required) to be issued as of the Completion Date that could prevent or materially interfere with the consummation of the transactions contemplated under the Subscription Agreement;
- (vi) the warranties given by the Company remaining true, accurate and not misleading in each case in accordance with their terms;
- (vii) the warranties given by Max Sun remaining true, accurate and not misleading in each case in accordance with their terms; and
- (viii) all necessary consents and approvals required to be obtained by Max Sun in respect of the Subscription Agreement and the transactions contemplated thereby, including but not limited to the subscription of the Subscription Shares, having been obtained.

At any time on or before 5:00 p.m. on 31 December 2013 (or such other date as the parties may agree in writing), Max Sun may waive the conditions precedent (iv) and (vi) as set out above by notice to the Company on any terms it decides and the Company may waive the condition precedent (vii) as set out above by notice to Max Sun on any terms it decides.

In the event that any relevant conditions precedent above has not been satisfied or waived by 5:00 p.m. on 31 December 2013, or such other date as the parties to the Subscription Agreement may agree in writing, the Subscription Agreement shall automatically terminate with immediate effect, and all rights, obligations and liabilities of the parties thereunder shall cease and determine, and neither party shall have any claim against the other save for any antecedent breaches of the terms thereof.

Completion

Completion of the Subscription Agreement shall take place on the Business Day that is immediately after the date on which the last of the conditions is satisfied or waived, if waiver is permitted (or on such other date as Max Sun may determine).

THE ACQUISITION AGREEMENT

Date

2 October 2013

Parties

Purchaser: The Company

Vendor: Max Sun

LETTER FROM THE BOARD

Assets to be acquired

Pursuant to the Acquisition Agreement, Max Sun agreed to sell, and the Company agreed to buy, the Sale Shares at a consideration of HK\$55,359,269, which shall be satisfied by way of the allotment and issue by the Company of the Consideration Shares (namely, 90,752,900 new Shares) at HK\$0.61 per Consideration Share. The Sale Shares represent the entire issued share capital of the Target. The principal asset of the Target is the holding of 474,983 NordAq Shares, representing approximately 7.65% of the issued share capital of NordAq.

For further information of the Target, please refer to the paragraph headed “Information on the Target” below.

The consideration was determined after arm’s length negotiations between the Company and Max Sun with reference to (i) the issue price of US\$15 (equivalent to HK\$116.55) per NordAq Share pursuant to a subscription agreement dated 2 August 2013 relating to the issue (the “**NordAq Issue**”) of 165,700 new NordAq Shares to an existing shareholder of NordAq holding approximately 17.21% of the issued share capital of NordAq before such subscription; and (ii) the future business development and growth potential of NordAq. To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, the subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. The Company considers that it is fair and reasonable to make reference to the issue price of NordAq Shares under the NordAq Issue as (i) the NordAq Issue was conducted based on arm’s length negotiations between NordAq and the subscriber which reflected the market value of NordAq Shares; and (ii) the NordAq Issue represented the latest relevant information on the value of NordAq Shares for the Company to appraise the market value of NordAq.

Conditions precedent

Completion of the Acquisition is conditional upon the following conditions having been fulfilled:

- (a) the Acquisition Agreement and the transactions contemplated thereunder, and the Subscription Agreement having been approved by the Independent Shareholders as required by and in accordance with Chapter 14A of the Listing Rules; and
- (b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares and such approval remains valid and effective.

If any of the above conditions have not been fulfilled on or before 31 December 2013, or such other date as Max Sun and the Company may agree, the Acquisition Agreement shall terminate, in which event all rights and liabilities of the parties thereto under the Acquisition Agreement shall cease and determine immediately upon such termination and no party thereto shall have any claim against or liability or obligation to the other parties save in respect of antecedent breaches of the Acquisition Agreement.

LETTER FROM THE BOARD

Completion

Completion of the Acquisition Agreement shall take place on the Business Day immediately following the date on which the conditions are satisfied (or on such other date as the parties may mutually agree in writing).

Consideration Shares

As at the Latest Practicable Date, the Company had 952,648,496 Shares in issue. Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Consideration Shares since the Latest Practicable Date, the Consideration Shares represented (i) approximately 9.53% of the issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 8.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares; and (iii) approximately 8.01% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares.

The Consideration Shares, when issued and fully paid, will rank *pari passu* in all respects with all the Shares in issue as at the date of completion of the Acquisition Agreement.

The Consideration Shares will be allotted and issued under a specific mandate to be sought for approval from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

ISSUE PRICE OF THE SUBSCRIPTION SHARE AND CONSIDERATION SHARE

The Issue Price of HK\$0.61 per Subscription Share and Consideration Share was determined after arm's length negotiations between the Company and Max Sun with reference to the prevailing market prices of the Shares and represents:

- (i) a discount of approximately 14.08% to the closing price of HK\$0.71 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 1.67% over the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 0.67% over the average of the closing prices of the Share as quoted on the Stock Exchange over the last five trading days up to and including the Last Trading Day of approximately HK\$0.606 per Share;
- (iv) a premium of approximately 0.16% over the average of the closing prices of the Share as quoted on the Stock Exchange over the last ten trading days up to and including the Last Trading Day of approximately HK\$0.609 per Share; and

LETTER FROM THE BOARD

- (v) a discount of approximately 85.0% to the unaudited net asset value of approximately HK\$4.08 per Share as at 30 June 2013 (based on the unaudited consolidated net assets of the Group of approximately HK\$3,884,431,000 as at 30 June 2013 as shown in the Company's interim report for the six months ended 30 June 2013 and 952,648,496 Shares in issue as at the Latest Practicable Date).

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after the allotment and issue of the Subscription Shares; (iii) immediately after the allotment and issue of the Consideration Shares; and (iv) immediately after the allotment and issue of the Subscription Shares and the Consideration Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Consideration Shares since the Latest Practicable Date).

	As at the Latest Practicable Date		Immediately after the allotment and issue of the Subscription Shares		Immediately after the allotment and issue of the Consideration Shares		Immediately after the allotment and issue of the Subscription Shares and the Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Substantial Shareholder</i>								
Max Sun (Note 1)	78,730,276	8.26	168,894,210	16.19	169,483,176	16.24	259,647,110	22.90
<i>Directors' interests</i>								
Mr. Cheng Ming Kit (Note 2)	1,000	0.01	1,000	0.01	1,000	0.01	1,000	0.01
<i>Public Shareholders</i>	873,917,220	91.73	873,917,220	83.80	873,917,220	83.75	873,917,220	77.09
Total	952,648,496	100.00	1,042,812,430	100.00	1,043,401,396	100.00	1,133,565,330	100.00

Notes:

- (1) Max Sun is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited, which is in turn controlled by Dato' Dr. Cheng Yu Tung. Max Sun also holds 100,000,000 warrants which entitle the holders thereof to subscribe for 100,000,000 new Shares at HK\$1.05 per Share.
- (2) Mr. Cheng Ming Kit is an executive Director.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following are the equity fund raising activities carried out by the Company during the twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Date of completion	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
19 June 2013	5 July 2013	Placing of new Shares under general mandate	HK\$19.90 million	For general working capital and for any possible acquisitions when opportunities arise	Fully utilised as intended

LETTER FROM THE BOARD

Date of announcement	Date of completion	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
19 June 2013	5 July 2013	Issue of unlisted warrants at nil consideration	HK\$22.68 million upon full exercise of the warrants	For general working capital and for any possible acquisitions when opportunities arise	No warrants had been exercised as at the Latest Practicable Date
7 June 2013	3 July 2013	Placing of convertible bonds under general mandate	HK\$47.80 million	For enhancing the production capacity of the wells situated in the Uinta Basin Well of the State of Utah and in the States of Texas and Louisiana of the United States of America	Fully utilised as intended
25 January 2013	6 February 2013	Placing of new Shares under general mandate	HK\$13.11 million	For general working capital and for financing future investment opportunities	Fully utilised as intended
18 January 2013	29 January 2013	Placing of new Shares under general mandate	HK\$19.14 million	For general working capital and for future investment opportunities	Fully utilised as intended
20 December 2012	14 January 2013	Placing of new Shares under general mandate	HK\$30.48 million	For general working capital and for financing future investment opportunities	Fully utilised as intended
30 August 2012	14 November 2012	Placing of new Shares under specific mandate	HK\$89.20 million	For general working capital and for financing future investment opportunities	Fully utilised as intended

Save as disclosed above, the Company has not carried out any issue of equity securities for the purpose of fund raising during the twelve months immediately prior to the Latest Practicable Date.

INFORMATION ON THE TARGET

The Target, incorporated in the British Virgin Islands with limited liability on 8 February 2011, is an investment holding company. As advised by Max Sun, the Target has not carried out any business since its incorporation save for the acquisition of the 474,983 NordAq Shares, representing approximately 7.65% of the issued share capital of NordAq, at a consideration of US\$5 million (equivalent to HK\$38.85 million), representing approximately US\$10.53 (equivalent to approximately HK\$81.82) per NordAq Share, on 26 April 2011. The acquisition

LETTER FROM THE BOARD

consideration of HK\$55,359,269 for the entire issued share capital of the Target, the principal asset of which is the holding of 474,983 NordAq Shares represents a unit price of approximately US\$15.00 (equivalent to approximately HK\$116.55) per NordAq Share or a premium of approximately 42.45% over the acquisition cost per NordAq Share paid by the Target. NordAq was incorporated on 20 January 2009 under the laws of the State of Delaware. NordAq and its subsidiaries are primarily engaged in the exploration and production of oil and natural gas in Alaska. NordAq is the holder of 100% working interest in various oil and gas leases in Alaska, including 37,235 leased-held acres spread amongst four prospects in the Cook Inlet Basin and an additional four North Slope prospects spread amongst 300,000 leased-held acres.

Based on the information provided by NordAq, NordAq recorded audited loss (both before and after taxation) of approximately US\$11.31 million (equivalent to approximately HK\$87.88 million) and approximately US\$12.22 million (equivalent to approximately HK\$94.95 million) for the two years ended 31 December 2011 and 2012, respectively. As at 31 December 2012, the unaudited net assets of NordAq amounted to approximately US\$4.43 million (equivalent to approximately HK\$34.42 million).

As at the Latest Practicable Date, the Group was interested in 392,336 NordAq Shares, representing approximately 6.32% of the issued share capital of NordAq.

Save for the holding of the Sale Shares, the Target has not carried out any business and did not record any turnover for the two years ended 31 December 2011 and 2012. For the two years ended 31 December 2011 and 2012, the Target recorded unaudited loss (both before and after taxation) of approximately US\$780 (equivalent to approximately HK\$6,006) and approximately US\$610 (equivalent to approximately HK\$4,697), respectively. As at 31 December 2012, the unaudited net liabilities of the Target amounted to US\$1,389 (equivalent to approximately HK\$10,793) which are mainly attributable to the total assets of US\$5 million (equivalent to approximately HK\$38.85 million) representing the carrying value of 474,983 NordAq Shares and the total liabilities of approximately US\$5.00 million (equivalent to approximately HK\$38.85 million) representing the shareholder's loan from Max Sun. The aforesaid shareholder's loan was fully capitalised before the execution of the Acquisition Agreement.

REASONS FOR THE SUBSCRIPTION

The principal activity of the Company is investment holding, and its subsidiaries are mainly engaged in general trading, oil exploration and exploitation, energy and natural resources related business.

As stated in the interim report of the Company for the six months ended 30 June 2013, the Group would continue to look for strategic acquisitions and partnership opportunities which would provide synergy to the Group's existing principal business activities. The Group has been actively seeking suitable investment opportunities to enhance the Group's return and diversify the Group's income stream. The Board is of the view that the Subscription will provide an opportunity to the Group to strengthen its financial position as well as to raise the necessary capital for general working capital and any future investment opportunities. The gross proceeds from the Subscription will be approximately HK\$55.00 million and the net

LETTER FROM THE BOARD

proceeds from the Subscription, after deducting related fees and expenses, will be approximately HK\$54.50 million. The net subscription price per Subscription Share is estimated to be approximately HK\$0.60. The Group intends to apply the net proceeds from the Subscription as to (i) approximately HK\$16.00 million for the repayment of the borrowing from an independent third party to the Company which is unsecured and bears interest at the Hong Kong and Shanghai Banking Corporation Limited's prime rate per annum; and (ii) the remaining balance of approximately HK\$38.50 million for future investment opportunities and/or general working capital of the Group.

In light of the above, the Directors (including the independent non-executive Directors after considering the advice of Donvex Capital) consider that the terms of the Subscription Agreement are fair and reasonable and on normal commercial terms and the Subscription is in the interests of the Company and the Shareholders as a whole.

REASONS FOR THE ACQUISITION

In December 2010, the Group entered into a loan agreement with NordAq to provide a maximum line of credit of US\$5 million (equivalent to HK\$38.85 million) for NordAq's exploration activities in relation to its oil and gas projects in Alaska, the United States of America. In 2011, the aforementioned line of credit has already been fully utilised by NordAq, and the loan has been converted into 392,336 NordAq Shares at a conversion price of approximately US\$12.74 (equivalent to approximately HK\$98.99) per NordAq Share. Since the provision of the aforesaid loan facility to NordAq, NordAq has begun exploration drillings and 2 dimensions and 3 dimensions seismic surveys of certain of its oil and gas projects and the results of these test drillings are satisfactory. Based on the information provided by NordAq, it is expected that production of oil and gas from one of its lease will begin shortly after the installation of certain production facilities and pipelines to the point of sale during the fourth quarter of 2013. An appraisal wells drilling for another oil and gas lease will also commence in early 2014. The management of the Company is optimistic about the growth and future performance of the business of NordAq in the long term. The Directors therefore consider that the Acquisition represents an opportunity to increase the Group's investment in NordAq. The Company had considered to subscribe new NordAq Shares at the material time but any subscription of new NordAq Shares will require outflow of cash resources of the Group. Taking into account of the cash and cash equivalent of the Group of approximately HK\$14.08 million as at 30 June 2013, the Company considers that the settlement of the consideration of the Acquisition by way of issue of the Consideration Shares is a preferred means of financing the further investment in NordAq. Upon completion of the Acquisition, the Group will be interested in an aggregate of 867,319 NordAq Shares, representing approximately 13.98% of the issued share capital of NordAq, and NordAq will be accounted for as available-for-sale investments in the Group's financial statements.

In light of the above, the Directors (including the independent non-executive Directors after considering the advice of Donvex Capital) consider that the terms of the Acquisition Agreement are fair and reasonable and on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

In relation to resolution no. 3 as set out in the notice of the SGM, Mr. Wong will retire from office as an executive Director at the SGM pursuant to Bye-law 86(2) of the Bye-laws of the Company. Mr. Wong, being eligible, will offer himself for re-election as an executive Director at the SGM pursuant to the Bye-laws of the Company. Biographical detail of Mr. Wong, is as follows:

Mr. Wong, aged 39, joined the Group in May 2013 as the chief financial officer and has been appointed as an executive Director since July 2013. Mr. Wong holds a MBA degree from Harvard Business School and a Bachelor of Business Administration (Accounting and Finance) degree from the University of Hong Kong. From 2011 to 2013, Mr. Wong held senior management positions of various companies in the mining industry, including roles as Chief Financial Officer of Century King Resources Group Limited, a titanium mining and processing company in Yunnan, from 2011 to 2012.

Prior to joining the mining industry, Mr. Wong was the Managing Director of RBS and Head of North Asian Institutional and Corporate Client Solutions Group. His team primarily provided investment, financing and assets/liabilities management-related products and solutions to clients. His clients were large-scale listed companies, family funds and large institutional funds in Hong Kong, China, Taiwan and also Japan. Mr. Wong has 17 years of experience in investment banking and corporate finance areas. Prior to joining RBS, he worked at the Hong Kong Corporate Sales Team in Bank of America Merrill Lynch, JP Morgan Chase & Co. and Citibank N.A.. Mr. Wong had also worked in the Boston Consulting Group and provided merger, restructuring, strategy planning and other advisory services to large-scale Asian financial institutions and insurance companies, as well as steel producers. Mr. Wong began his career in the Financial Management Program at General Electric in 1996 and was responsible for cost accounting, internal control, financial analysis, financing and hedging. Mr. Wong had also worked in the investment banking and equity research divisions of Lehman Brothers.

Save as disclosed above, to the best knowledge and belief of the Board, Mr. Wong (i) did not hold any directorship in any listed companies in Hong Kong and overseas during the past three years; (ii) did not have any prior business or other relationship with the Group; (iii) did not have any relationships with any members of the Board, senior management, substantial Shareholders or controlling Shareholders within the meaning of the Listing Rules; (iv) did not have any interests (within the meaning of Part XV of the SFO) in Shares as at the Latest Practicable Date; and (v) did not hold any other positions in the Group.

As at the Latest Practicable Date, Mr. Wong has not entered into any service contract with the Company and has no specific term of service with the Company. Mr. Wong is entitled to a director's remuneration of HK\$130,000 per month and any discretionary bonus which the Company may decide to pay. Such remunerations are determined by the Board by reference to his background, experience, duties and responsibilities with the Company and the prevailing market conditions.

Save as disclosed above, there is no information required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

In relation to resolution no. 4 as set out in the notice of the SGM, Mr. Heffner will retire from office as a non-executive Director at the SGM pursuant to Bye-law 86(2) of the Bye-laws of the Company. Mr. Heffner, being eligible, will offer himself for re-election as a non-executive Director at the SGM pursuant to the Bye-laws of the Company. Biographical detail of Mr. Heffner, is as follows:

Mr. Heffner, aged 48, has extensive experience in asset management, investments, and entrepreneurial ventures. He was a partner and chief investment officer of Ajia Partners, and started the fund of funds business which managed over US\$400 million (equivalent to HK\$3,108 million) in assets. Mr. Heffner's flagship fund, the Adamas Asian Opportunity Fund, ranked among the best performing Asian funds on a risk adjusted basis from 2006 to 2009. Prior to Ajia Partners, Mr. Heffner was a managing director for a major family office in Hong Kong responsible for all technology, media and telecommunication investments, including hedge funds, private equity funds and direct investments. He was previously an associate director with Morgan Stanley Private Wealth Management in New York and Hong Kong and has 19 years of investment experience in Hong Kong.

As at the Latest Practicable Date, Mr. Heffner is the co-founder, chief executive officer and managing partner of Adamas Asset Management (HK) Limited (the “**Adamas**”), currently managing assets over US\$350 million (equivalent to HK\$2,719.5 million) with offices in Hong Kong, Shanghai and Tokyo. Mr. Heffner is the responsible officer of Adamas, being a licensed corporation to carry out Type 9 (asset management) regulated activity under the SFO. Adamas currently holds (i) 37,996,000 Shares; (ii) 34,370,000 warrants issued by the Company at subscription price of HK\$0.66 per Share and (iii) convertible notes for the amount of HK\$10,000,000 at a conversion price of HK\$0.79 per Share issued by the Company. Save as disclosed above, Mr. Heffner does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (as defined under Part XV of the SFO) of the Company.

Save as disclosed above, to the best knowledge and belief of the Board, Mr. Heffner (i) did not hold any directorship in any listed companies in Hong Kong and overseas during the past three years; (ii) did not have any prior business or other relationship with the Group; (iii) did not have any relationships with any members of the Board, senior management, substantial Shareholders or controlling Shareholders within the meaning of the Listing Rules; (iv) did not have any interests (within the meaning of Part XV of the SFO) in Shares as at the Latest Practicable Date; and (v) did not hold any other positions in the Group.

As at the Latest Practicable Date, Mr. Heffner has not entered into any service contract with the Company and has no specific term of service with the Company. The remuneration of Mr. Heffner as a non-executive Director is HK\$100,000 per annum and is subject to review by the Board from time to time by reference to his duties and responsibilities, the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there is no information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Max Sun is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited, which is in turn controlled by Dato' Dr. Cheng Yu Tung. As Dato' Dr. Cheng Yu Tung is the uncle of Mr. Cheng Kam Chiu, Stewart, the Chairman and the executive director of the Company, Max Sun is therefore a connected persons of the Company. Accordingly, the Subscription under the Subscription Agreement constitutes a non-exempted connected transaction under Chapter 14A of the Listing Rules and is subject to the approval of the Independent Shareholders by way of poll.

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but less than 25% and Max Sun is a connected person of the Company, the Acquisition constitutes a discloseable and connected transaction for the Company under the Listing Rules. Accordingly, the Acquisition Agreement and the transactions contemplated thereunder (including the grant of the specific mandate for the issue of the Consideration Shares) are subject to the approval of the Independent Shareholders by way of poll.

Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit, an executive Director, are the close relatives of Dato' Dr. Cheng Yu Tung. Max Sun and its associates, Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit shall therefore abstain from voting in respect of the resolutions approving the Subscription Agreement and the Acquisition Agreement and the transactions contemplated under the respective agreements (including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares) at the SGM. As at the Latest Practicable Date, (i) Max Sun held 78,730,276 Shares, representing approximately 8.26% of the total issued share capital of the Company; (ii) Mr. Cheng Kam Chiu, Stewart did not hold any Shares; and (iii) Mr. Cheng Ming Kit held 1,000 Shares, representing approximately 0.01% of the total issued share capital of the Company. Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit had abstained from voting on the Board resolutions approving the Subscription and the Acquisition.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wong Man Kong, Peter, Mr. Chan Chi Yuen, Mr. Yung Chun Fai, Dickie and Mr. Chiu Wai On, has been established by the Company to give recommendation to the Independent Shareholders on the Subscription Agreement and the Acquisition Agreement. Donvex Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has an interest in the re-election of Mr. Wong as an executive Director and Mr. Heffner as a non-executive Director which is materially different from the other Shareholders. Accordingly, no Shareholders are required under the Listing Rules to abstain from voting on the relevant resolutions on their re-election at the SGM.

LETTER FROM THE BOARD

SGM

The SGM will be convened and held to consider and, if thought fit, approve the Subscription Agreement and the Acquisition Agreement and the transactions contemplated under the respective agreements (including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares respectively) and the re-election of Mr. Wong as an executive Director and Mr. Heffner as a non-executive Director. A notice convening the SGM to be held at 3/F Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Monday, 18 November 2013 at 3:00 p.m. is set out on pages SGM-1 to SGM-3 of this circular.

A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

The vote of the Shareholders at the SGM will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 19 to 20 of this circular which contains its recommendation to the Independent Shareholders in respect of the Subscription Agreement and the Acquisition Agreement and the transactions contemplated thereunder; and (ii) the letter from Donvex Capital set out on pages 21 to 37 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the Acquisition Agreement and the transactions contemplated thereunder.

The Independent Board Committee, having taken into account the advice of Donvex Capital, considers that the terms of the Subscription Agreement and the Acquisition Agreement were negotiated on an arm's length basis, on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Subscription Agreement and the Acquisition Agreement and the transactions contemplated thereunder.

The Board also considers that the proposed re-election of Mr. Wong as an executive Director and Mr. Heffner as a non-executive Director are in the interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the proposed re-election of Mr. Wong as an executive Director and Mr. Heffner as a non-executive Director.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in Appendix I to this circular.

By the order of the Board of
New Times Energy Corporation Limited
Cheng Kam Chiu, Stewart
Chairman



NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00166)

1 November 2013

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE
AND
DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
BIG TRADE INVESTMENTS LIMITED INVOLVING THE ISSUE OF
NEW SHARES UNDER SPECIFIC MANDATE**

We refer to the circular of the Company to the Shareholders dated 1 November 2013 (the “Circular”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to consider and to give recommendation to the Independent Shareholders on the Subscription and the Acquisition. We wish to draw your attention to the letter from the Board set out on pages 4 to 18 of the Circular and the letter from Donvex Capital set out on pages 21 to 37 of the Circular.

Having considered the principal factors and reasons considered by, and the advice of, Donvex Capital as set out in the letter from Donvex Capital, we consider the entering into of the Subscription Agreement and the Acquisition Agreement and the transactions contemplated under the respective agreements, including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Subscription and the Acquisition are in the interests of the Company and the Shareholders as a whole.

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE
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Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Subscription Agreement and the Acquisition Agreement and the transactions contemplated under the respective agreements to be proposed at the SGM.

Yours faithfully,
the Independent Board Committee

Mr. Wong Man Kong,	Mr. Chan Chi Yuen	Mr. Yung Chun Fai,	Mr. Chiu Wai On
Peter		Dickie	
<i>Independent non-executive Directors</i>			

LETTER FROM DONVEX CAPITAL

The following is the full text of the letter from Donvex Capital Limited setting out their advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Unit 1305, 13th Floor,
Carpo Commercial Building
18–20 Lyndhurst Terrace
Central
Hong Kong

1 November 2013

*The Independent Board Committee and the Independent Shareholders of
New Times Energy Corporation Limited*

Dear Sirs,

**CONNECTED TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE
AND
DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
BIG TRADE INVESTMENTS LIMITED INVOLVING THE ISSUE OF
NEW SHARES UNDER SPECIFIC MANDATE**

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Subscription and the Acquisition, details of which are set out in the circular of the Company dated 1 November 2013 (the “Circular”) of which this letter forms part. Terms used herein have the same meanings as defined elsewhere in the Circular unless the context require otherwise.

On 2 October 2013, the Company and Max Sun entered into the Subscription Agreement, pursuant to which Max Sun conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, the Subscription Shares (namely, 90,163,934 new Shares) at HK\$0.61 per Subscription Share.

In addition, on 2 October 2013, the Company and Max Sun simultaneously entered into the Acquisition Agreement, pursuant to which Max Sun agreed to sell, and the Company agreed to buy, the Sale Shares at a consideration of HK\$55,359,269, which shall be satisfied by way of the allotment and issue by the Company of the Consideration Shares (namely, 90,752,900 new Shares) at HK\$0.61 per Consideration Share.

LETTER FROM DONVEX CAPITAL

Max Sun is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited, which is in turn controlled by Dato' Dr. Cheng Yu Tung. As Dato' Dr. Cheng Yu Tung is the uncle of Mr. Cheng Kam Chiu, Stewart, the Chairman and the executive director of the Company, Max Sun is therefore a connected person of the Company. Accordingly, the Subscription constitutes a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the approval of the Independent Shareholders by way of poll.

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but less than 25% and Max Sun is a connected person of the Company, the Acquisition constitutes a discloseable and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules. Accordingly, the Acquisition Agreement and the transactions contemplated thereunder (including the grant of the specific mandate for the issue for the Consideration Shares) are subject to the approval of the Independent Shareholders by way of poll.

As Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit, an executive Director, are the close relatives of Dato' Dr. Cheng Yu Tung, Max Sun and its associates, Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit shall therefore abstain from voting in respect of the resolutions approving the Subscription Agreement and the Acquisition Agreement and the transaction(s) contemplated under the respective agreements (including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares) at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wong Man Kong, Peter, Mr. Chan Chi Yuen, Mr. Yung Chun Fai, Dickie and Mr. Chiu Wai On, has been established to advise the Independent Shareholders in respect of the Subscription and the Acquisition. We, Donvex Capital Limited, have been appointed as the independent financial adviser to give advice and make recommendation to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription Agreement and the Acquisition Agreement are fair and reasonable, and the Subscription Agreement and the Acquisition Agreement were negotiated on an arm's length basis, on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and the Shareholders as a whole, and whether the Independent Shareholders should vote in favour of the resolutions to approve the Subscription Agreement and the Acquisition Agreement and the transactions contemplated thereunder at the SGM.

BASIS OF OUR OPINION

In formulating our opinion, we have (i) reviewed the Subscription Agreement and the Acquisition Agreement; and (ii) relied upon the information, facts and representations contained in the announcement of the Company dated 2 October 2013, the Circular and those supplied or made available by the management members of the Company to us. We have assumed that all such information, facts and representations were true and accurate in all respects at the time they were supplied or made and continue to be true and accurate at the date of the Circular and can be relied upon. We have no reason to doubt the truth, accuracy or completeness of such information and representations and have confirmed with the management of the Company that no material facts have been withheld or omitted from such information and representations.

LETTER FROM DONVEX CAPITAL

We have taken all reasonable and necessary steps to comply with the requirements set out in Rule 13.80 of the Listing Rules. We consider that we have been provided with sufficient information to enable us to reach an informed view. We have not, however, conducted any independent verification of such information or any independent in-depth investigation into the business, affairs, financial position or prospects of the Group nor have we carried out any in-depth research on the Group; Max Sun and its associates; or Chow Tai Fook Nominee Limited and its associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the Subscription and the Acquisition, we have taken into the consideration the following principal factors and reasons.

Information on the Group

The principal activity of the Company is investment holding, and its subsidiaries are mainly engaged in general trading, oil exploration and exploitation, energy and natural resources related business.

The following is a summary of the consolidated financial information on the Group as extracted from the interim report for the six months ended 30 June 2013 (“Interim Report”) and the annual report of the Company for the year ended 31 December 2012 and 2011 (“Annual Report”).

	For the six months ended 30 June 2013 HK\$'000 (unaudited)	For the year ended 31 December 2012 HK\$'000 (audited)	For the year ended 31 December 2011 HK\$'000 (audited)
Turnover			
Sale of oil products	175,785	121,406	107,717
Sale of iron concentrates	—	—	10,501
Sale of non-ferrous metals	—	2,686	8,456
Sale of oil products under oil exploration and production	<u>1,878</u>	<u>4,915</u>	<u>2,183</u>
	177,663	129,007	128,857
Cost of sales	<u>(175,747)</u>	<u>(132,546)</u>	<u>(127,564)</u>
Gross profit/(loss)	1,916	(3,539)	1,293
Profit/(loss) before taxation	31,422	(60,142)	(121,509)
Profit/(loss) for the period/year attributable to owners of the Company	39,072	(39,917)	(87,410)

LETTER FROM DONVEX CAPITAL

	As at 30 June 2013 <i>HK\$'000</i> <i>(unaudited)</i>	As at 31 December 2012 <i>HK\$'000</i> <i>(audited)</i>	As at 31 December 2011 <i>HK\$'000</i> <i>(audited)</i>
Cash and cash equivalents	14,084	36,050	41,030
Total assets	4,128,182	3,899,270	3,947,788
Total liabilities	(243,751)	(103,065)	(237,065)

As shown in the table above, the total revenue of the Group for the year ended 31 December 2012 was approximately HK\$129.0 million (31 December 2011: HK\$128.9 million), representing an increase of 0.12%. The Group recorded a loss attributable to shareholders of approximately HK\$39.9 million (31 December 2012: HK\$87.4 million). According to the Annual Report, the loss was mainly attributable to the increase in administrative expenses, in which the expenses related to the searching for and development of energy and natural resources projects in the pre-operation stage around the globe continued to be a major source of the loss.

For the six months ended 30 June 2013, the Group's turnover was HK\$177.7 million (for the six months ended 30 June 2012: HK\$127.2 million), representing an increase of 39.7%. In the first half of year 2013, the increase in sales was mainly due to the growth of the current trading business. In addition, the Group restructured its investments in United States and Argentina through the completion of acquisitions and disposals of oil and gas assets. As a result, according to the Interim Report, the Group's financial performance changed from loss to profit and has a profit attributable to owners of the Company of HK\$39.1 million (for the six months ended 30 June 2012: loss attributable to owners of the Company of HK\$5.8 million), the change was mainly resulted in (i) gain on disposal of oil and gas interest in Texas and Louisiana of the United States; (ii) reversal of impairment loss on convertible notes issued by BCM Energy Partners Inc.; and (iii) gain on bargain purchase arising from the acquisition of Golden Giants Limited. In view of the above transactions, we agree that the increase in turnover and the change in financial performance during the first half of 2013 is a good indication for the Group which they are in the right direction, in the best interests of the Shareholders, to broaden its revenue base by seeking investment opportunities.

The Subscription

1. Background of and reasons for the Subscription and use of proceeds

As stated in the interim report of the Company for the six months ended 30 June 2013, the Group would continue to look for strategic acquisitions and partnership opportunities which would provide synergy to the Group's existing principal business activities. The Group has been actively seeking suitable investment opportunities to enhance the Group's return and diversify the Group's income stream. The Board is of the view that the Subscription will provide an opportunity to the Group to strengthen its financial position as well as to raise the necessary capital for general working capital and any future investment opportunities.

LETTER FROM DONVEX CAPITAL

The gross proceeds from the Subscription will be approximately HK\$55.0 million and the net proceeds from the Subscription, after deducting related fees and expenses, will be approximately HK\$54.5 million. The net subscription price per Subscription Share is estimated to be approximately HK\$0.60. As set out in the Letter from the Board, the Group intends to apply the net proceeds arising from the Subscription as to (i) approximately HK\$16.0 million for the repayment of borrowing from an independent third party to the Company which is unsecured and bears interest at the Hong Kong and Shanghai Banking Corporation Limited's prime rate per annum; and (ii) the remaining balance of approximately HK\$38.5 million for future investment opportunities and/or general working capital of the Group.

2. Principal terms of Subscription Agreement

Basis of the subscription price

The subscription price of HK\$0.61 per Subscription Share represents:

- (i) a discount of approximately 14.08% to the closing price of HK\$0.71 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 1.67% over the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 0.67% over the average of the closing prices of the Share as quoted on the Stock Exchange over the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.606 per Share;
- (iv) a premium of approximately 0.16% over the average of the closing prices of the Share as quoted on the Stock Exchange over the last ten consecutive trading days up to and including the Last Trading Day of HK\$0.609 per Share; and
- (v) a discount of approximately 85.05% to the unaudited net asset value of approximately HK\$4.08 per Share as at 30 June 2013 (based on the unaudited consolidated net assets of the Group of approximately HK\$3,884,431,000 as at 30 June 2013 as shown in the Company's interim report for the six months ended 30 June 2013 and 952,648,496 Shares in issue as at the Latest Practicable Date).

As stated in the Letter from the Board, the subscription price was determined after arm's length negotiation between the Company and Max Sun with reference to the prevailing market prices of the Shares.

In assessing the reasonableness of the subscription price, we have performed the analysis of the Subscription Price in the section headed "Analysis of the Issue Price of the Subscription Share and Consideration Share" below.

3. *Other alternatives available for financing*

Apart from the Subscription, the Board has considered various other means of fund raising, including debt financing, placement of new Shares to independent investors and rights issue (or open offer) as described below:

(i) Debt financing

In view of the loss for the two years ended 31 December 2012, the Board considered that it will be not practicable for the Company to obtain debt financing in a cost-effective manner, additional finance charges would be incurred, particularly under the recent situation where there is a potential increase in the interest rates during the tenure of the bank loans.

(ii) Placement of new Shares in Hong Kong to independent investors

Regarding the viability of other means of equity financing, although the Company has not formally discussed with any placing agent, the Directors advised that, given the current market volatility and the recent placing activities of the Group, independent investors may find the placement of new Shares less attractive after having several equity fund raising activities as stated in the section headed “Fund raising activities in the past twelve months” in the Letter from the Board” during the twelve months immediately prior to the Latest Practicable Date, the Company would encounter difficulties in finding a commercial placing agent in Hong Kong for a placement of new Shares to with acceptable placing fee and on fully underwritten basis.

(iii) Rights issue or open offer

The Directors note that a rights issue or an open offer of the Company will give an opportunity to all Shareholders to participate in the subscription for new Shares to be issued by the Company. Pursuant to Chapter 7 of the Listing Rules, a rights issue or an open offer of a listed issuer on the Stock Exchange may not require underwriting. However, the Directors consider that, in the absence of an underwriter, the Company would have difficulties to complete a rights issue or an open offer, given that certain public Shareholders may not be interested to participate in a rights issue or an open offer, taking into account the trading volume of the Shares has been relatively low. On the other hand, although the Company has not formally discussed with any independent underwriter, the Directors advised that, due to the loss position of the Company and the low trading volume of the Shares, the Company would encounter difficulties in finding an independent underwriter in Hong Kong which is interested to underwrite a rights issue or open offer of the Company with reasonable underwriting fee and subscription price which is of reasonable discount to the recent closing price of the Shares. Furthermore, the substantial costs would lower the net proceeds accruing to the Company and it may be difficult to find an underwriter willing to assume this role given the financial performance and current business nature of the Company. As such, the Directors are of the view that rights issue or open offer may not be the appropriate mean for its fund raising exercise.

LETTER FROM DONVEX CAPITAL

Taking into account the above, we concur with the Directors' view that equity financing by way of the Subscription is comparatively a more appropriate and viable means of raising additional capital. We consider that the Subscription would enable the Company to be in a better financial position and have greater flexibility to decide when and whether to follow up on any future investment opportunities of the Group if the Company is equipped with a higher level of cash resources and the Subscription represents the best available option to obtain additional funding and working capital in light of that the Subscription serves as an acceptable means to furnish the Group with additional funding and is in the interests of the Company and Shareholders as a whole.

Financial effects of the Subscription to the Group

(i) Cashflow

According to the interim report of the Company for the six months ended 30 June 2013, the Group had cash and cash equivalents of approximately HK\$14.1 million as at 30 June 2013. Upon completion of Subscription, the liquidity and cash position of the Group will be improved as the Subscription will facilitate the Company to raise net proceeds of approximately HK\$55.0 million. Accordingly, the cash position, net current assets and current ratio of the Company are expected to be improved upon completion of Subscription.

(ii) Earnings

Save for the expenses relating to the Subscription, the completion of Subscription will not have any immediate material impact on the earnings of the Company. Hence, immediately upon completion of Subscription, there will be no effect on the earnings of the Company. However, as set out in the Letter from the Board, only part of the net proceeds from the Subscription, amounted to approximately HK\$16.0 million, will be used to repay borrowing from an independent third party to the Company which is unsecured and interest-bearing, whilst the remaining portions will be used for future investment opportunities and/or general working capital of the Group and not utilized right away. Thus, assuming such fund was deposited in banks, the Group may save the finance charges from the bank loan as well as enjoy an enhancement to its earnings through interest income.

(iii) Net assets value

According to the interim report of the Company for the six months ended 30 June 2013, the net asset value of the Group as at 30 June 2013 was approximately HK\$3,884.4 million. Upon completion of Subscription, the net asset value of the Company will be improved as the Subscription would increase the share capital of the Company. Accordingly, the Subscription will have a positive impact on the net asset value of the Group.

(iv) Gearing ratio

According to the interim report of the Company for the six months ended 30 June 2013, the gearing ratio (defined as total bank and other borrowings over total equity, including non-controlling interests) of the Group as at 30 June 2013 was approximately 4.29%, as derived by dividing the total interest-bearing liabilities of the Group as at 30 June 2013 of approximately

HK\$166.7 million by the net asset value of approximately HK\$3,884.4 million as at 30 June 2013. Upon completion of Subscription and assuming the interest-bearing liabilities of the Group would remain the same, the net asset value of the Group would be increased as a result of the Subscription. Thus, the gearing level of the Group will be improved upon completion of Subscription.

Based on the above, the Subscription may have an overall positive effect on the Group's financial position. We consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

The Acquisition

1. Principal terms of Acquisition Agreement

Subject matters and the consideration

On 2 October 2013, the Company and Max Sun entered into the Acquisition Agreement pursuant to which Max Sun agreed to sell, and the Company agreed to buy, the Sale Shares at a consideration of HK\$55,359,269, which shall be satisfied by way of the allotment and issue by the Company of the Consideration Shares (namely, 90,752,900 new Shares) at HK\$0.61 per Consideration Share. The Sale Shares represent the entire issued share capital of the Target. The principal asset of the Target is the holding of 474,983 NordAq Shares, representing approximately 7.65% of the issued share capital of NordAq.

Basis of the consideration

As at the Latest Practicable Date, the Company has 952,648,496 Shares in issue. Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares and the Consideration Shares since the Latest Practicable Date, the Consideration Shares (namely, 90,752,900 new Shares) represent (i) approximately 9.53% of the issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 8.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares; and (iii) approximately 8.01% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares.

The Consideration Shares, when issued and fully paid, will rank *pari passu* in all respects with all the Shares in issue as at the date of completion of the Acquisition Agreement.

The issue price of HK\$0.61 per Consideration Share represents:

- (i) a discount of approximately 14.08% to the closing price of HK\$0.71 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM DONVEX CAPITAL

- (ii) a premium of approximately 1.67% over the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 0.67% over the average of the closing prices of the Share as quoted on the Stock Exchange over the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.606 per Share;
- (iv) a premium of approximately 0.16% over the average of the closing prices of the Share as quoted on the Stock Exchange over the last ten consecutive trading days up to and including the Last Trading Day of HK\$0.609 per Share; and
- (v) a discount of approximately 85.05% to the unaudited net asset value of approximately HK\$4.08 per Share as at 30 June 2013 (based on the unaudited consolidated net assets of the Group of approximately HK\$3,884,431,000 as at 30 June 2013 as shown in the Company's interim report for the six months ended 30 June 2013 and 952,648,496 Shares in issue as at the Latest Practicable Date).

As stated in the Letter from the Board, the consideration was determined after arm's length negotiations between the Company and Max Sun with reference to (i) the issue price of US\$15 (equivalent to HK\$116.55) per NordAq Shares pursuant to a subscription agreement dated 2 August 2013 relating to the issue of 165,700 new NordAq Shares to an existing shareholder of NordAq holding approximately 17.21% of the issued share capital of NordAq before such subscription; and (ii) the future business development and growth potential of NordAq. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. In further assessing the reasonableness of the consideration, we have performed the analysis of the issue price of Consideration Shares in the section headed "Analysis of the Issue Price of the Subscription Share and Consideration Share" below.

Assessment of the reasonableness of the consideration

We noted that the NordAq is an unlisted company and the consideration of the Acquisition was based on the issue price of new NordAq Shares to an independent third party pursuant to a subscription agreement in August 2013. Such transaction was a private placement which involved an independent investor and the issue price of new NordAq Shares was determined after the consideration of the business activities of NordAq. Having considered that (i) such subscription agreement was entered based on arm's length negotiations between NordAq and the independent investor; (ii) the issue price of new NordAq Shares represented the latest relevant information on the value of NordAq Shares for the Company to appraise the market value of NordAq; (iii) there was no material change in the global market sentiment and risk appetite in general since August 2013; and (iv) the Group's intention to acquire more NordAq Shares was in consideration of the future business development and growth potential of NordAq, it is reasonable to believe

that the issue price can be considered as a market price of NordAq Shares and used as the market reference when entering into the Acquisition. As such, we are of the view that the consideration of the Acquisition is fair and reasonable.

2. *Business and financial information of Target*

The Target, incorporated in the British Virgin Islands with limited liability on 8 February 2011, is an investment holding company. As advised by Max Sun, the Target has not carried out any business since its incorporation save for the acquisition of the 474,983 NordAq Shares, representing approximately 7.65% of the issued share capital of NordAq, at a consideration of US\$5 million (equivalent to approximately HK\$38.85 million). NordAq was incorporated on 20 January 2009 under the laws of the State of Delaware. NordAq and its subsidiaries are primarily engaged in the exploration and production of oil and natural gas in Alaska, the United States of America. NordAq is the holder of 100% working interest in various oil and gas leases in Alaska, including 37,235 leased-held acres spread amongst four prospects in the Cook Inlet Basin and an additional four North Slope prospects spread amongst 300,000 leased-held acres.

As at the Latest Practicable Date, the Group is interested in 392,336 NordAq Shares, representing approximately 6.32% of the issued share capital of NordAq. Save for the holding of the Sale Shares, the Target has not carried out any business and did not record any material profit or loss items for the two years ended 31 December 2011 and 2012.

As at 31 December 2012, the unaudited net liabilities of the Target amounted to US\$1,389 (equivalent to approximately HK\$10,793) which are mainly attributable to the total assets of US\$5 million (equivalent to approximately HK\$38.85 million) representing the carrying value of 474,983 NordAq Shares and the total liabilities of approximately US\$5.0 million (equivalent to approximately HK\$38.85 million) representing the shareholder's loan from Max Sun. The aforesaid shareholder's loan was fully capitalised before the execution of the Acquisition Agreement.

3. *Reasons for and benefits of the Acquisition*

In December 2010, the Group entered into a loan agreement with NordAq to provide a maximum line of credit of approximately HK\$39 million for NordAq's exploration activities in relation to its oil and gas projects in Alaska, the United States of America. In 2011, the aforementioned line of credit has already been fully utilized by NordAq, and the loan has been converted into 392,336 NordAq Shares at a conversion price of approximately US\$12.74 (equivalent to approximately HK\$98.99) per NordAq Share. Since the provision of the aforesaid loan facility to NordAq, NordAq has begun exploration drillings and 2 dimensions and 3 dimensions seismic surveys of certain of its oil and gas projects and the results of these test drillings are satisfactory. Based on the information provided by NordAq, it is expected that production of oil and gas from one of its lease will begin shortly after the installation of certain production facilities and pipelines to the point of sale during the fourth quarter of 2013. An appraisal wells drilling for another oil and gas lease will also commence in early 2014. The management of the Company is optimistic about the growth and future performance of the business of NordAq in the long term. The Directors therefore consider that the Acquisition represents an opportunity to increase the Group's investment in NordAq. Upon completion of

LETTER FROM DONVEX CAPITAL

the Acquisition, the Group will be interested in an aggregate of 867,319 NordAq Shares, representing approximately 13.98% of the issued share capital of NordAq, and NordAq will be accounted for as available-for-sale investments in the Group's financial statements.

In view of the reasons for and benefits of the Acquisition above, we concur with the Directors' view that such Acquisition can further strengthen and diversify the Group's oil exploration and exploitation business which is in line with the long term development of business of the Group. In addition, we agree with the Board that the Acquisition is carried out in the ordinary and usual courses of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Analysis of the Issue Price of the Subscription Share and Consideration Share

In assessing the reasonableness of the Issue Price of the Subscription Share and Consideration Share, we have reviewed the closing price level of the Shares traded on the Stock Exchange during the last twelve months preceding the date of the Subscription Agreement and the Acquisition Agreement, up to the Latest Practicable Date (the "Review Period").

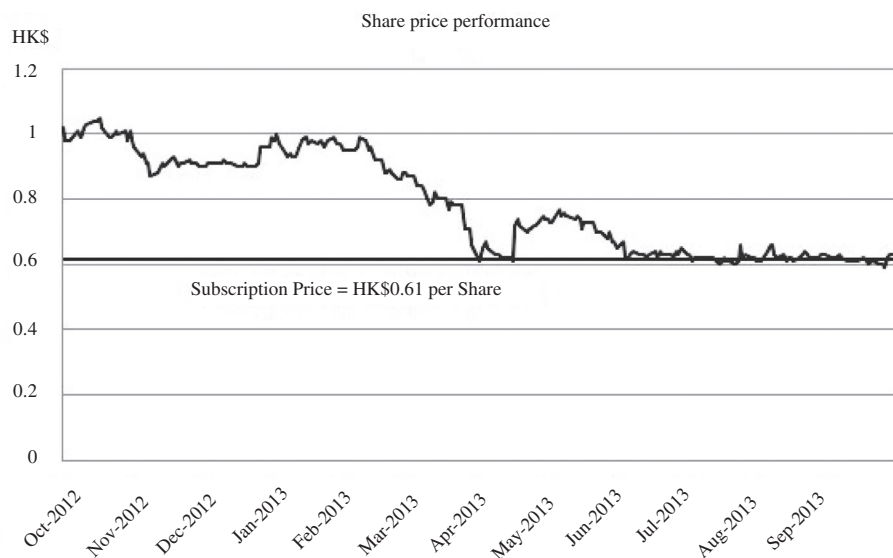
The European sovereign debt-crisis had a severe influence to global stock markets, including the Hong Kong stock market, and such consequences led to tighter financial conditions which had the adverse impact on corporate earnings and business confidence. We therefore consider that the terms of the Issue Price analysis within the last twelve months are appropriate benchmarks to reflect the recent market sentiment and risk appetite of the investment community. The equity market was facing a relatively slow recovery under the sluggish market condition and it affected the operations of the Group during the Review Period. We also noted that the fluctuation in Share prices was positively correlated with the Hang Seng Index and thus we believe that it is appropriate to analyse the Issue Price relative to the performance of the Shares during the Review Period.

(i) Review on Share prices performance

During the Review Period, the lowest closing price was HK\$0.59 per Share and the highest closing price was HK\$1.05 per Share. The daily average and median closing price per Share for the Review Period were approximately HK\$0.78 and HK\$0.74, respectively. The Issue Price represents a discount of approximately 21.8% and 17.6% to the daily average and median closing price per Share respectively for the Review Period. The Shares had been traded above the Issue Price of HK\$0.61 per Share during the most of the Review Period from October 2012 to mid-June 2013 and was generally on the downward trend with a range from approximately HK\$0.61 per Share to HK\$1.05 per Share, it reached to a level of around HK\$0.61 per share and remained relatively stable since July 2013. The Issue Price represents a discount of approximately 14.08% to the closing price of HK\$0.71 per Share as of the Latest Practicable Date.

LETTER FROM DONVEX CAPITAL

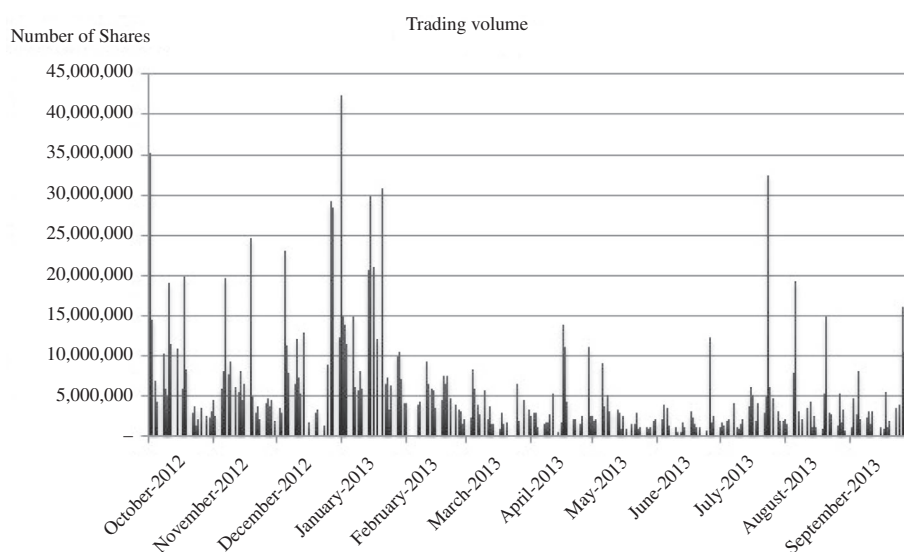
The chart below illustrates the movement of the daily closing prices of the Shares prices during the Review Period:



Source: Hong Kong Exchanges and Clearing Limited

(ii) Review on trading liquidity of the Shares

For the purpose of assessing the trading liquidity of the Shares, we set out below the monthly trading volume, the average daily number of Shares traded per month expressed in (i) number of Shares; (ii) a percentage to the total number of Shares in issue; and (iii) a percentage to the total number of Shares held by public Shareholders during the Review Period:



Source: Hong Kong Exchanges and Clearing Limited

LETTER FROM DONVEX CAPITAL

Month	Highest daily Turnover (in number of Shares)	Lowest daily turnover (in number of Shares)	Average daily turnover (in number of Shares)	Number of trading days with turnover lower than 5 million (in days)	Percentage of average daily turnover over total number of Shares in issue (note 1) (Approx.)	Percentage of average daily turnover over total number of Shares held by the Independent Shareholders (note 2) (Approx.)
2012						
October	35,345,400	—	8,940,914	9	0.9385%	0.9385%
November	24,783,700	2,112,700	6,462,609	11	0.6784%	0.6784%
December	23,226,200	—	5,828,495	13	0.6118%	0.6118%
2013						
January	42,422,300	—	14,606,861	3	1.5333%	1.5333%
February	10,531,300	—	5,443,895	9	0.5714%	0.5714%
March	8,454,100	—	3,113,043	18	0.3268%	0.3268%
April	14,007,000	—	3,446,818	18	0.3618%	0.3618%
May	11,127,000	—	2,849,974	20	0.2992%	0.2992%
June	3,984,000	—	1,693,090	20	0.1777%	0.1777%
July	32,423,400	—	4,266,874	18	0.4479%	0.4479%
August	19,407,500	—	4,335,350	17	0.4551%	0.4551%
September	8,194,100	—	2,732,581	18	0.2868%	0.2868%
October	43,522,000	—	8,829,533	9	0.9268%	0.9268%

(Source: Hong Kong Exchanges and Clearing Limited)

Notes:

1. Based on the total number of issued Shares of 952,648,496 as at the Latest Practicable Date.
2. Based on the total number of Shares of 952,647,496 held by the Independent Shareholders as at the Latest Practicable Date.

During the Review Period, a trading volume of lower than 5 million shares was recorded 183 days on the Stock Exchange. As illustrated in the table above, the trading volume of the Shares during the Review Period has been thin. During the Review Period, the highest daily trading volume was approximately 43,522,000 Shares, representing approximately 4.57% of the total number of issued Shares and approximately 4.57% of the total number of Shares held by the Independent Shareholders.

LETTER FROM DONVEX CAPITAL

(iii) Comparison of the Issue Price

Based on the information available from the Stock Exchange's website, we have, to the best of our effort, knowledge and endeavor, selected and identified an exhaustive list of 22 transactions relating to acquisitions by listed issuers which constituted discloseable and connected transactions and the acquisition consideration was to be settled by consideration shares as announced by companies listed on the Main Board or GEM of the Stock Exchange during the Review Period ("Comparable Transactions"). We consider that selecting transactions within the Review Period immediately prior to the Subscription and Acquisition is an appropriate timeframe to reflect the recent market trends.

The historical trading prices of the shares of a listed company provide relevant information on the market value of the company. When a listed company issues consideration shares to settle wholly or partly an acquisition consideration, we consider it reasonable to analyse the recent trading prices of the listed company to form a basis of the market value in order to assess the fairness and reasonableness of the issue price of the consideration shares.

We would like to analyse the range of premium and discount of the shares issued by listed companies in Hong Kong to their connected persons as consideration. Whilst it is reasonable to negotiate and determine the consideration for an acquisition transaction with reference to, among other things, the principal activities of the target company, we do not consider it necessary to only focus on the Company's or the Target Companies' principal activities as each of Comparable Transactions has its own unique nature and characteristic in terms of the scale of business operation, market capitalisation and profitability that may affect the valuation of a company, the comparison between the Issue Price and the issue price imposed on the Comparable Transactions may not be an identical comparison. We, however, consider such comparison could be treated as a reflection of the overall market sentiment within the Review Period, which is an appropriate timeframe to describe recent market trends and a representative population of samples to provide an insight of the investors' appetite in order to see the overall comparison on the issue price of listed companies' shares in connected transactions generally.

We set out below selected information about the issue price of the consideration shares of the Comparable Transactions:

Announcement date	Stock Code	Company	Issue price HK\$	Market Capitalisation on last trading day HK\$ million	Premium over/ (discount to) closing price on last trading day %	Premium over/ (discount to) 5-day average closing price %	Premium over/ (discount to) 10-day average closing price %
24-Sep-13	207	The Hong Kong Parkview Group Limited	2	2,141.4	(50.00%)	(39.20%)	(38.30%)
27-Aug-13	2362	Jinchuan Group International Resources Company Limited	1	3,884.4	(29.08%)	(29.78%)	(29.53%)
17-Aug-13	535	Gemdale Properties and Investment Corporation Limited	0.96	8,233.4	9.43%	6.61%	6.43%
29-Jul-13	392	Beijing Enterprises Holdings Limited	55	64,573.2	(0.60%)	(0.30%)	0.10%

LETTER FROM DONVEX CAPITAL

Announcement date	Stock Code	Company	Issue price HK\$	Market Capitalisation on last trading day HK\$ million	Premium over/ (discount to) closing price on last trading day %	Premium over/ (discount to) 5-day average closing price %	Premium over/ (discount to) 10-day average closing price %
20-Jun-13	8175	China Digital Licensing (Group) Limited	0.175	656.8	(12.06%)	(13.96%)	(11.03%)
27-May-13	966	China Taiping Insurance Holdings Company Limited	15.39	21,084.6	24.50%	22.57%	21.90%
24-May-13	570	Winteam Pharmaceutical Group Limited	2.8	6,830.5	(26.90%)	(26.30%)	(20.97%)
30-Apr-13	37	Far East Hotels and Entertainment Limited	0.232	89.9	26.09%	23.40%	24.06%
10-Apr-13	908	Zhuhai Holdings Investment Group Limited	1.33	1,375.9	8.13%	10.83%	10.83%
19-Mar-13	15	Vantage International (Holdings) Limited	0.671	982.6	3.20%	2.00%	0.00%
05-Mar-13	526	Lisi Group (Holdings) Limited	0.3	755.5	(6.25%)	(1.64%)	(5.06%)
18-Feb-13	487	Success Universe Group Limited	0.199	808.9	0.00%	(1.49%)	(3.16%)
22-Jan-13	604	Shenzhen Investment Limited	3.667	12,529.5	9.10%	9.30%	8.70%
18-Jan-13	686	Goldpoly New Energy Holdings Limited	1	1,120.0	(21.29%)	(22.12%)	(21.88%)
17-Jan-13	364	Huafeng Group Holdings Limited	0.1768	379.8	(29.28%)	(29.28%)	(29.56%)
17-Jan-13	397	China Gogreen Assets Investment Limited	0.16	1,041.0	(3.03%)	4.30%	27.90%
08-Jan-13	307	Up Energy Development Group Limited	2	1,867.6	81.80%	93.80%	106.80%
07-Jan-13	1180	Paradise Entertainment Limited	0.8	221.6	2.56%	0.50%	(0.25%)
18-Dec-12	384	China Gas Holdings Limited	6.24	28,334.7	0.48%	1.30%	2.11%
16-Nov-12	803	Prosperity International Holdings (H.K.) Limited	0.5	2,526.0	26.60%	34.80%	35.90%
17-Oct-12	8032	Viva China Holdings Limited	0.325	1,240.3	0.00%	1.56%	1.88%
08-Oct-12	61	North Asia Resources Holdings Limited	0.17	318.6	(39.30%)	(37.00%)	(35.10%)
				Range	(50.00%) to 81.80%	(39.20%) to 93.80%	(38.30%) to 106.80%
02-Oct-13	166	The Company	0.61	571.3	1.67%	0.67%	0.16%

LETTER FROM DONVEX CAPITAL

Based on the criteria set out for selecting the Comparable Transactions, we have also identified a very substantial acquisition and connected transaction which the announcement was issued by Tonic Industrial Holdings Limited (stock code: 978) on 23 September 2013 (the “Tonic Announcement”). Based on the information disclosed in the Tonic Announcement and on the Stock Exchange’s website, the premium of the issue price of the consideration shares over the latest net asset value is approximately 7,633 times. We consider that this transaction is an outlier and have excluded it from the Comparable Transactions.

The premium/discount which the issue prices of the Comparable Transactions represented over/to (i) the relevant closing prices on the last trading day ranged from a premium of 81.8% to a discount of 50.0% with the average being a discount of 1.18%; (ii) the 5-day average closing price ranged from a premium of 93.8% to a discount of 39.2% with the average being a premium of 0.45%; and (iii) the 10-day average closing price ranged from a premium of 106.8% to a discount of 38.3% with the average being a premium of 2.35%. The discounts of the Issue Price to the recent closing prices of Shares fall within the range of the Comparable Transactions.

In view of (i) the prevailing loss making position of the Group for the year ended 31 December 2011 and 2012, which restricted the Group to obtain debt financing and secure Shareholders to subscriber for the rights issue or open offer to be proposed by the Group as stated in the paragraph headed “Other alternatives available for financing” above; (ii) the general downward moving trend of the market price of the Shares followed by a relatively stable market price of the Shares during the Review Period; (iii) the inactive trading of the Shares in the open market during the Review Period may not attract any investors for the placement of the Shares; and (iv) the result of the market comparison as set forth in the section above, we consider that the Issue Price is fair and reasonable so far as the Independent Shareholders are concerned.

Dilution effects on the existing public Shareholders

Reference is made to the shareholding structure of the Company as set out in the section headed “Shareholding Structure of the Company” in the Letter from the Board. Upon the completion of the Subscription and the Acquisition, the shareholding of the existing public Shareholders would decrease from approximately 91.73% as at the Latest Practicable Date to approximately 77.09% as enlarged by the issue and allotment of the Subscription Shares and Consideration Shares. Based on the unaudited consolidated net assets of the Group of approximately HK\$3,884,431,000 as at 30 June 2013 as shown in the Company’s interim report for the six months ended 30 June 2013 and 952,648,496 Shares in issue as at the Latest Practicable Date, upon the completion of the Subscription and the Acquisition, the amount of gross proceeds of approximately HK\$55.0 million is expected to be received by the Company and the investment in NordAq of approximately HK\$55.4 million is accounted for as available-for-sale investments in the Group’s financial statements. As a result, the net assets of the Group are expected to increase by approximately HK\$110.4 million. Upon the issuance of 90,163,934 of Subscription Shares and 90,752,900 of Consideration Shares, the NAV per Share is expected to decrease from approximately HK\$4.08 to approximately HK\$3.52. Despite there is an effect of dilution in terms of percentage of shareholdings to the Independent Shareholders, having considered (i) the fairness and reasonableness of the Issue Price of HK\$0.61 in the section

LETTER FROM DONVEX CAPITAL

headed “Analysis of the Issue Price of the Subscription Share and Consideration Share” above; (ii) the issue of the Consideration Shares for settlement of the consideration would enable the Group to retain a higher level of cash resources as discussed in the paragraph headed “Background of and reasons for the Subscription and use of proceeds” above; and (iii) the benefits of the Acquisition attributable to the Group as mentioned in the paragraph headed “Reasons for and benefits of the Acquisition” above, we consider that the dilution effects on the shareholdings of the Company upon the completion of the Subscription and the Acquisition is acceptable, fair and reasonable.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the Subscription and the Acquisition are fair and reasonable, we are of the opinion that the Subscription Agreement and the Acquisition Agreement were negotiated on an arm’s length basis, on normal commercial terms, in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend that the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Subscription and the Acquisition and transactions contemplated under the respective agreements (including the grant of the specific mandates for the issue of the Subscription Shares and the Consideration Shares respectively).

Yours faithfully,
For and on behalf of
Donvex Capital Limited
Doris Sy
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and/or their associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for the Securities Transactions by Directors of Listed Companies (the “**Model Code**”) were as follows:

Long positions of Directors' interests in Shares and underlying Shares of the Company

Name of Directors	Nature of Interest	Number of ordinary Shares held	Number of share options held	Total Interests	Approximate percentage of total issued share capital
Mr. Cheng Kam Chiu, Stewart	Beneficial owner	—	4,500,000	4,500,000	0.47%
Mr. Cheng Ming Kit	Beneficial owner	1,000	3,000,000	3,001,000	0.32%
Mr. Wong Man Kong, Peter	Beneficial owner	—	450,000	450,000	0.05%
Mr. Chan Chi Yuen	Beneficial owner	—	450,000	450,000	0.05%
Mr. Chiu Wan On	Beneficial owner	—	450,000	450,000	0.05%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their associates had any personal, family, corporate or other interests had registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to any Directors or chief executives of the Company, the following persons had, or were deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Long positions:

Name of Shareholder	Notes	Capacity and nature of interest	Number of ordinary Shares or underlying Shares held	Percentage of Company's issued share capital (Note iii)
Max Sun	(i), (ii)	Beneficially owned	359,647,110	37.75%
Chow Tai Fook Nominee Limited	(i), (ii)	Interest in a controlled corporation	359,647,110	37.75%
Adamas Asset Management (HK) Limited		Beneficially owned	82,366,000	8.65%

Notes:

- (i) Max Sun is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited, which is in turn controlled by Dato' Dr. Cheng Yu Tung. As such, Chow Tai Fook Nominee Limited and Dato' Dr. Cheng Yu-Tung were deemed to have interest in the shares held by Max Sun for the purposes of the SFO. Pursuant to the warrant subscription agreement dated 29 May 2012 entered by the Company and the subscriber, Max Sun, the subscriber was issued with an aggregate of 100,000,000 warrants at the issue price of HK\$0.02 per warrant conferring the rights to subscribe for an aggregate of 100,000,000 Shares at the exercise price of HK\$1.05 per Share (subject to adjustment upon the occurrence of certain adjustment events). Each warrant carries the right to subscribe for one Share. The subscription rights are exercisable within sixty months from the date of the issue of the warrants.
- (ii) The 90,163,934 and 90,752,900 new Share to be allotted and issued by the Company to Max Sun pursuant to the subscription Agreement and the Acquisition Agreement respectively.
- (iii) Based on 952,648,496 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person had or were deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

So far as is known to the Directors and the chief executives of the Company, as at the Latest Practicable Date, no Director was a director or employee of a company which has interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions to Division 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Donvex Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

As at the Latest Practicable Date, Donvex Capital had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they are included.

As at the Latest Practicable Date, Donvex Capital did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Donvex Capital did not have any interests, either direct or indirect, in any assets which had been or were proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Company were made up.

5. INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, save for the Acquisition, none of the Directors had any direct or indirect interest in any assets which had been or were proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Company were made up. None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had an interest in any business that competes or is likely to compete with the business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Company were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the office of the Company at Room 1007–08, 10/F, New World Tower I, 18 Queen's Road Central, Central, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the SGM:

- (i) the Subscription Agreement;
- (ii) the Acquisition Agreement;
- (iii) the letter from the Independent Board Committee, the text of which is set out on pages 19 to 20 of this circular;
- (iv) the letter of advice from Donvex Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 21 to 37 of this circular; and
- (v) the written consent as referred to in the paragraph headed "Expert and consent" in this appendix.

9. GENERAL

In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.



NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00166)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of New Times Energy Corporation Limited (the “Company”) will be convened and held at 3/F Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Monday, 18 November 2013 at 3:00 p.m. for the purpose of considering, and if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “THAT

- 1.1 the execution of the subscription agreement dated 2 October 2013 between the Company and Max Sun Enterprises Limited (“Max Sun”) (the “Subscription Agreement”, a copy of which has been produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) and the terms and conditions thereof and the performance by the Company of the transactions contemplated thereby be and are hereby confirmed, approved and ratified;
- 1.2 the directors of the Company be and are hereby authorized to exercise all the powers of the Company and take all steps as might in their opinion be desirable or necessary in connection with the Subscription Agreement including without limitation:
 - (a) the allotment and issue of the Subscription Shares (as defined in the Subscription Agreement) pursuant to the Subscription Agreement;
 - (b) the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements in relation to the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement; and
 - (c) the taking of actions to implement the transactions contemplated under the Subscription Agreement.”

* For identification purpose only

NOTICE OF SGM

2. **“THAT**

- 2.1 the execution of the acquisition agreement dated 2 October 2013 between the Company and Max Sun (the “Acquisition Agreement”, a copy of which has been produced to the meeting marked “B” and initialled by the chairman of the meeting for the purpose of identification) and the terms and conditions thereof and the performance by the Company of the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
 - 2.2 the acquisition of the Sale Shares (as defined in the Acquisition Agreement) by the Company on the terms set out in the Acquisition Agreement be and is hereby approved;
 - 2.3 the allotment and issue of the Consideration Shares (as defined in the Acquisition Agreement) to Max Sun or its nominee(s) on the terms set out in the Acquisition Agreement, be and are hereby approved;
 - 2.4 all other transactions contemplated under the Acquisition Agreement be and are hereby approved; and
 - 2.5 the taking of all steps and doing of all things by the Company and its subsidiaries as the directors of the Company may in their absolute discretion deem necessary, desirable or expedient to implement, give effect to and/or complete the Acquisition Agreement and the transactions contemplated thereunder, including without limitation the allotment and issue of the Consideration Shares, the amendment of the terms of the Acquisition Agreement whether or not as required by, or for the purposes of obtaining the approval of, relevant authorities or to comply with all applicable laws, rules and regulations, be and are hereby authorized, approved, confirmed and ratified.”
3. **“THAT** Mr. Wong Tai Cheung, Andrew be and is hereby re-elected as executive director of the Company and the fixing of his remuneration by the board of directors of the Company be and is hereby approved and ratified.”
4. **“THAT** Mr. Paul Lincoln Heffner be and is hereby re-elected as non-executive director of the Company and the fixing of his remuneration by the board of directors of the Company be and is hereby approved and ratified.”

By order of the Board
New Times Energy Corporation Limited
Cheng Kam Chiu, Stewart
Chairman

Hong Kong, 1 November 2013

NOTICE OF SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Room 1007-8, 10/F,
New World Tower 1
18 Queen's Road Central
Central
Hong Kong

Notes:

- (1) Any shareholder of the Company (the "Shareholder(s)") entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Shareholder.
- (2) The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
- (3) Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.
- (4) Where there are joint Shareholders, any one of such joint Shareholder may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint holding.
- (5) The form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof.
- (6) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.