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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) THE SUBSCRIPTION OF NEW SHARES  
BY THE SUBSCRIBER  
AND  
(2) ISSUE OF THE SUBSCRIPTION SHARES UNDER  
GENERAL MANDATE**

**SUBSCRIPTION OF NEW SHARES**

On 28 October 2016 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 500,000,000 new Shares at the Subscription Price of HK\$0.22 per Subscription Share.

The Subscription Shares will be issued under the General Mandate and will rank pari passu in all respects among themselves and with the existing Shares. The Subscription Shares represent (i) approximately 9.24% of the issued share capital of the Company as at the date of this announcement, and (ii) approximately 8.46% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion.

On 28 October 2016 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber.

\* For identification purpose only

## **THE SUBSCRIPTION AGREEMENT**

A summary of the principal terms of the Subscription Agreement is set out below:

### **Date**

28 October 2016

### **Parties**

Issuer: The Company

Subscriber: The Subscriber

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are independent third parties of the Company and its connected persons. The Subscriber does not have any interest in the Company except (i) pursuant to the Subscription Agreement and (ii) that the Subscriber holds 29,900,000 Shares as at the date of this announcement.

### **The Subscription**

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 500,000,000 new Shares (with an aggregate nominal value of HK\$5,000,000) at the Subscription Price of HK\$0.22 per Subscription Share.

The Subscription Shares represent (i) approximately 9.24% of the issued share capital of the Company as at the date of this announcement, and (ii) approximately 8.46% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion.

### **Subscription Price**

The Subscription Price of HK\$0.22 per Subscription Share:

- (i) represents a discount of approximately 7.56% to the closing price of HK\$0.238 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) represents a discount of approximately 13.39% to the average closing price of HK\$0.254 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to but excluding the Last Trading Day.

The net Subscription Price per Subscription Share is approximately HK\$0.22.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the financial conditions of the Company, the prevailing market prices of the Shares and the recent market conditions.

The Subscriber has confirmed that the Subscription will be funded by its internal resources.

### **Ranking of the Subscription Shares**

The Subscription Shares, when issued and fully paid-up, will rank pari passu in all respects among themselves and with all the Shares in issue as at the date of allotment and issue of the Subscription Shares.

### **Condition of the Subscription**

Completion is conditional upon the Company having obtained the approval from the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares, and such approval not having been revoked or cancelled prior to the Completion.

The Condition cannot be waived by either party to the Subscription Agreement. In the event that the Condition has not been fulfilled on or before the Long Stop Date, the Subscription Agreement shall terminate and lapse.

As at the date of this announcement, the Condition has not been fulfilled.

### **Completion**

Completion shall take place within ten Business Days after the fulfillment of the Condition (or at such other date and time as the Company and the Subscriber may agree in writing).

### **General Mandate**

The Subscription Shares will be allotted and issued under the General Mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 31 May 2016 and is not subject to approval of the Shareholders. The General Mandate entitles the Directors to allot, issue and deal with Shares not exceeding 20% of the issued capital of the Company as at the date of the annual general meeting granting the General Mandate. The maximum number of Shares allowed to be issued based on the issued share capital of the Company as at the date of passing of the relevant resolution was 500,064,398. As at the date of this announcement, no Share has been allotted and issued under the General Mandate.

## **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The net proceeds to be raised from the Subscription will be approximately HK\$110,000,000.

The Company intends that the net proceeds of the Subscription will be used as follows:

### **(i) Repayment of short term loan**

As at the date of this announcement, the Group has, among others, an outstanding short term loan in an amount of approximately US\$6,118,000 (equivalent to approximately HK\$47,478,000) to be repaid on 19 December 2016 (being repayment of the outstanding amount of the loan pursuant to a loan agreement dated 19 December 2013 (as supplemented by the supplemental agreements dated 19 June 2014 and 10 December 2014, respectively)).

It is intended that approximately 43.16% of the net proceeds from the Subscription will be used in the repayment of the abovementioned debts.

### **(ii) Purchase of equipment**

The Group is principally engaged in the exploration, development, production and sale of natural resources. The Group plans to acquire a coil tubing unit and a workover rig in an amount of approximately US\$3,000,000 (equivalent to approximately HK\$23,280,000) for use in its business activities in Argentina.

It is intended that approximately 21.16% of the net proceeds from the Subscription will be used in purchase the abovementioned equipment.

### **(iii) General working capital**

The balance of the net proceeds from the Subscription (representing approximately 35.68% thereof) will be used as general working capital of the Group.

In view of the above, the net proceeds to be raised from the Subscription are necessary for the Group's ordinary and usual course of business and repayment of debts that will soon fall due. The Subscription would also enhance the general working capital of the Group without incurring additional interest burden. Accordingly, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement are on normal commercial terms or better to the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Save as disclosed below, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Date of completion	Event	Net proceeds (approximate)	Then intended use of proceeds	Actual use of proceeds
17 May 2016	20 July 2016	Subscription of new Shares under specific mandate	HK\$447.23 million	For (i) works in the Tartagal Concession and Morillo Concession; (ii) repayment of short term loans; and (iii) general working capital as more particularly set out in the circular of the Company dated 28 June 2016	(i) Approximately HK\$4.82 million used as intended for the works in the Tartagal Concession and Morillo Concession; (ii) approximately HK\$112.61 million used as intended for the repayment of short-term loans; and (iii) approximately HK\$15.15 million used as intended as general working capital (including the payment of interest expenses, consultancy fees, legal and professional fees and operation expenses in Argentina)

## EFFECT OF ISSUE OF SUBSCRIPTION SHARES ON SHAREHOLDING STRUCTURE

Assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and Completion, the shareholding structure of the Company and the interests of the Subscriber and the party acting in concert with it as at the date of this announcement and immediately after the Completion are as follows:

Shareholders	As at the date of this announcement		Immediately after the Completion	
	Number of issued Shares	Approximate percentage (%)	Number of issued Shares	Approximate percentage (%)
<b>Controlling Shareholder:</b>				
Max Sun Enterprises Limited*	3,516,537,544	65.00	3,516,537,544	59.50
<b>Public:</b>				
The Subscriber	29,900,000	0.55	529,900,000	8.97
Other Shareholders	1,863,884,448	34.45	1,863,884,448	31.53
<b>Total</b>	<b>5,410,321,992</b>	<b>100</b>	<b>5,910,321,992</b>	<b>100</b>

Note:

- \* *As at the date of this announcement, Max Sun Enterprises Limited holds certain warrants issued by the Company on 16 July 2012 in the aggregate principal amount of HK\$105,000,000 (which warrants entitle their holder to subscribe for new Shares at HK\$0.86 per Share and will expire on 15 July 2017).*

It is expected that the Subscriber will not become a substantial Shareholder (as defined under the Listing Rules) immediately after the Completion.

## GENERAL

**Since the Subscription is subject to the fulfillment of the Condition set out in the paragraph headed “The Subscription Agreement – Condition of the Subscription” in this announcement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday, or other public holidays in Hong Kong, or a day on which a tropical cyclone warning signal numbered 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks in Hong Kong are open for business and the Stock Exchange is open for the business of dealing in securities
“Company”	New Times Energy Corporation Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement
“Condition”	the condition precedent to the Completion, as more particularly set out under the paragraph headed “The Subscription Agreement – Condition of the Subscription” in this announcement

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	28 October 2016, being the last trading day of the Shares on the Stock Exchange prior to the entering into of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	10 November 2016, or such later date as may be agreed in writing between the Company and the Subscriber
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting held on 31 May 2016 to issue and allot up to 500,064,398 new Shares, representing 20% of the number of Shares in issue as at the date of passing of the relevant resolution
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Elberta Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement

“Subscription Agreement”	the conditional subscription agreement dated 28 October 2016 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.22 per Subscription Share
“Subscription Shares”	500,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“%”	per cent.

*Unless the context requires otherwise, in this announcement US\$ is converted into HK\$ at the rate of US\$1.00=HK\$7.76 for illustrative purpose only.*

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

Hong Kong, 28 October 2016

*As at the date of this announcement, the Board comprises six Directors, of whom two are executive Directors, namely Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit; and four are independent non-executive Directors, namely Mr. Wong Man Kong, Peter, Mr. Chan Chi Yuen, Mr. Yung Chun Fai, Dickie and Mr. Chiu Wai On.*