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**RPC 瑞豐石化**

**Ruifeng Petroleum Chemical Holdings Limited**  
**瑞豐石化控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8096)**

**PLACING OF EXISTING SHARES  
AND  
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**KINGSTON SECURITIES LTD.**

On 11 May 2012 (after trading hours), the Company entered into the conditional Placing and Subscription Agreement with the Placing Agent and the Subscriber for the Placing of up to an aggregate of 112,000,000 existing Placing Shares to the Placees at the Placing Price of HK\$0.200 per Placing Share and the Subscription of up to 112,000,000 new Subscription Shares by the Subscriber at the Subscription Price of HK\$0.200 per Subscription Share.

The Placing Shares represent, in aggregate, (i) approximately 2.31% of the existing issued share capital of the Company; and (ii) approximately 2.26% of the issued share capital of the Company as enlarged by the Subscription.

The maximum gross proceeds and net proceeds (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be approximately HK\$22.40 million and approximately HK\$21.74 million, respectively. The Company intends to use approximately HK\$17.74 million of the net proceeds from the Subscription for the repayment of loans of the Group and approximately HK\$4.0 million of the net proceeds from the Subscription for the general working capital purposes of the Group.

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

## **THE PLACING AND SUBSCRIPTION AGREEMENT**

Date : 11 May 2012 (after trading hours)

Issuer : The Company

Placing Agent : Kingston Securities Limited, an Independent Third Party

Subscriber : Inno Smart Group Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial shareholder (as defined under the GEM Listing Rules) of the Company

The Placing Agent has been appointed to place the Placing Shares on a best effort basis and will receive a placing commission of 2.5% on the gross proceeds of the Placing. The placing commission was arrived at after arm's length negotiations between the Company, the Subscriber and the Placing Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Pursuant to the Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, up to 112,000,000 Placing Shares to the Placees at a price of HK\$0.200 per Placing Share and the Subscriber will subscribe the Subscription Shares at a price of HK\$0.200 per Subscription Share. Details of the Placing and the Subscription are set out below.

### **1. Placing**

#### ***Placees***

The Placing Shares will be placed on a best effort basis to not less than six Placees which are Independent Third Parties.

It is expected that none of the Placees will become substantial Shareholder immediately after the Placing.

## ***Placing Shares***

The 112,000,000 Placing Shares represent, in aggregate, (i) approximately 2.31% of the existing issued share capital of the Company; and (ii) approximately 2.26% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The Placing Shares rank pari passu among themselves and with the other Shares in issue as at the date of this announcement.

## ***Placing Price***

The Placing Price of HK\$0.200 per Placing Share represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.22 per Share as quoted on the Stock Exchange on 11 May 2012, being the last trading day immediately before the entering into of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 5.30% to the average closing price of approximately HK\$0.2112 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing and Subscription Agreement.

The Placing Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Placing Price, after deduction of the relevant expenses, is approximately HK\$0.194 per Placing Share.

## ***Placing commission***

The Company shall pay to the Placing Agent the placing commission of 2.5% on the gross proceeds of the Placing and all reasonable costs, fees and expenses in relation to the preparation and completion of the Placing and Subscription Agreement.

## ***Completion of the Placing***

The Placing is unconditional and the completion of the Placing will take place on 18 May 2012 (or such other date as may be agreed by the Subscriber and the Placing Agent).

## **2. Subscription**

### ***Subscription Shares***

Up to 112,000,000 Subscription Shares, which is equivalent to the number of Placing Shares to be placed under the Placing, will be subscribed by the Subscriber under the Placing and Subscription Agreement and represent, in aggregate, (i) approximately 2.31% of the existing issued share capital of the Company; and (ii) approximately 2.26% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The Subscription Shares will rank pari passu among themselves and with the other Shares in issue as at the date of the allotment and issue of the Subscription Shares.

### ***General mandate to issue the Subscription Shares***

The Subscription Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 970,363,723 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares pursuant to the General Mandate. The remaining balance of 970,363,723 Shares under the existing General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement.

### ***Subscription Price***

The Subscription Price of HK\$0.200 per Subscription Share represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.22 per Share as quoted on the Stock Exchange on 11 May 2012, being the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 5.30% to the average closing price of approximately HK\$0.2112 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing and Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the prevailing market prices. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.194 per Subscription Share.

### ***Conditions precedent***

The Subscription is conditional upon the followings:

- (i) the GEM Listing Committee granting approval for the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the completion of the Placing pursuant to the Placing and Subscription Agreement.

In the event that the conditions of the Subscription are not fulfilled on or before 24 May 2012 (or such other date as may be agreed by the Company, the Subscriber and the Placing Agent) in writing, the Placing and Subscription Agreement shall cease and neither the Company, the Subscriber nor the Placing Agent shall have any claim against the others under the Placing and Subscription Agreement in respect of the Subscription.

### ***Completion of the Subscription***

Completion of the Subscription will take place within the next Business Day (or such other date as may be agreed by the Company, the Subscriber and the Placing Agent) after the conditions of the Subscription have been fulfilled. The Subscription shall be completed on or before 25 May 2012, being 14 days from the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the GEM Listing Rules and require compliance with all the relevant requirements under Chapter 20 of the GEM Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders.

## ***Force majeure***

The Placing Agent may, in its absolute opinion, after consultation with the Company, terminate the Placing and Subscription Agreement by notice in writing to the Company at any time up to 9:30 a.m. on the 18 May 2012 if:

- (1) there is any introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Subscriber or the Company or the Placing Agent to proceed with the Placing; or
- (3) there is any material breach of the warranties, representations and undertakings given by the Company and/or the Subscriber in the Placing and Subscription Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (4) there is any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (5) any statement contained in this announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the absolute opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

Upon termination of the Placing and Subscription Agreement pursuant to the above mentioned force majeure factors, all liabilities of the parties thereto shall cease and no party of the Placing and Subscription Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing and Subscription Agreement save of any antecedent breach of any obligation under the Placing and Subscription Agreement.

### ***Application for listing***

Application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

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

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

The Group is principally engaged in fuel oil processing, trading of fuel oil, the development and distribution of computer software and related products. The Directors have considered various ways of raising funds to develop its businesses and consider that the Placing and the Subscription represent a suitable opportunity to raise capital for the Company and enlarge the equity and Shareholder base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of the Placing and the Subscription (including but not limited to the Placing Price, the Subscription Price and the placing agent commission of 2.5%) are fair and reasonable based on the current market conditions, and the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The maximum gross proceeds and net proceeds (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be approximately HK\$22.40 million and approximately HK\$21.74 million respectively. The Company intends to use the net proceeds from the Subscription as follow:

- (i) Approximately HK\$17.74 million will be used for the repayment of loans of the Group; and
- (ii) Approximately HK\$4.0 million will be used for the general working capital purposes of the Group.

The net proceeds being raised per Share upon completion of the Placing and the Subscription will be approximately HK\$0.194 per Share.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

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

Date of completion announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
13 October 2011	Placing of 60,000,000 new shares	Approximately HK\$40.8 million	Approximately HK\$29.0 million of which will be used to finance the potential acquisition of the 70% of equity interest in Zhoushan Boke Power Co Ltd. Remaining balance of approximately HK\$11.8 million will be used for general working capital.	Approximately HK\$29.0 million was used for the repayment of loans of the Group and approximately HK\$11.8 million has been used for general working capital of the Group.
6 December 2011	Placing of 232,000,000 new shares	Approximately HK\$56.4 million	For the general working capital of the Company.	Approximately HK\$53.8 million was used for the repayment of loans of the Group and approximately HK\$2.6 million was used for the general working capital of the Group.
13 February 2012	Placing of 43,627,000 new shares	Approximately HK\$9.65 million	Approximately HK\$6 million will be used for the repayment of loans. Remaining balance of Approximate HK\$3.65 million will be used for the general working capital purposes of the Group.	Approximately HK\$6 million was used for the repayment of loans. Remaining balance of Approximate HK\$3.65 million was used for the general working capital purposes of the Group.



## CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Placing and the Subscription are as follows:

Shareholders	Existing shareholding (as at the date of this announcement)		Shareholding immediately after the Placing but before the Subscription		Shareholding immediately after the Placing and the Subscription	
	<i>Number of</i>		<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
The Subscriber ( <i>note 1</i> )	775,000,000	15.9%	663,000,000	13.7%	775,000,000	15.6%
Yu, Won Kong Dennis	4,218,000	0.1%	4,218,000	0.1%	4,218,000	0.1%
Black Sea ( <i>note 2</i> )	1,100,000,000	22.7%	1,100,000,000	22.7%	1,100,000,000	22.2%
Xu Ziming	664,020,000	13.7%	664,020,000	13.7%	664,020,000	13.4%
<b><i>Public Shareholders</i></b>						
The Places	–	–	112,000,000	2.3%	112,000,000	2.3%
Other public Shareholders	2,308,580,617	47.6%	2,308,580,617	47.5%	2,308,580,617	46.4%
<b>Total</b>	<b>4,851,818,617</b>	<b>100.0%</b>	<b>4,851,818,617</b>	<b>100.0%</b>	<b>4,963,818,617</b>	<b>100.0%</b>

*Note:*

1. The Subscriber, Inno Smart Group Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned 50% by Mr. Yu Won Kong, Dennis (an executive Director) and 50% by Mr. Yue Wai Keung (an executive Director).
2. Black Sea Horizon Investment Holdings Limited (“Black Sea”), a company incorporated in Hong Kong with limited liability, is beneficially owned as to 60% by Ms. Zhao Shu Min, and the remaining 40% is beneficially and jointly owned by Mr. Chan Wai Lun Anthony (the chairman and executive Director) and Chan Kin Wah Daniel.

## DEFINITIONS

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

“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being Saturdays, Sunday or public holidays) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Ruifeng Petroleum Chemical Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the GEM Listing Committee of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with Shares at the annual general meeting of the Company held on 7 May 2012
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the GEM Listing Rules

“Placees”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing and Subscription Agreement
“Placing Agent”	Kingston Securities Limited, the Placing Agent and a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance in Hong Kong
“Placing and Subscription Agreement”	the agreement dated 11 May 2012 and entered into among the Company, the Placing Agent and the Subscriber in respect of the Placing and the Subscription
“Placing Price”	the placing price of HK\$0.200 per Placing Share
“Placing Shares”	up to an aggregate of 112,000,000 existing Shares to be placed by the Placing Agent on behalf of the Subscriber under the Placing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 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
“Subscriber”	Inno Smart Group Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial shareholder of the Company

“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$0.200 per Subscription Share
“Subscription Shares”	up to 112,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Placing and Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Ruifeng Petroleum Chemical Holdings Limited**  
**Yue Wai Keung**  
*Executive Director*

Hong Kong, 11 May 2012

*As at the date of this announcement, the Board comprises Mr. Chan Wai Lun Anthony (Chairman), Mr. Yu Won Kong Dennis, Mr. Yue Wai Keung and Mr. Guo Jing Sheng as executive Directors; Mr. Chan Kwan Pak as non-executive Director; and Dr. Chen Tzyh-Trong and Dr. Lee Chung Mong as independent non-executive Directors.*

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

*This announcement will remain on the “Latest Company Announcements” page of the GEM Website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the day of its publication and on the website of the Company at [www.ruifengholdings.com](http://www.ruifengholdings.com).*