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## **GREEN GLOBAL RESOURCES LIMITED**

**綠色環球資源有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 61)**

### **(I) VERY SUBSTANTIAL ACQUISITION INVOLVING THE ISSUE OF CONSIDERATION SHARES, CONVERTIBLE PREFERENCE SHARES AND PROMISSORY NOTES; AND (II) RESUMPTION OF TRADING**

All capitalised terms are defined in the definitions section below.

#### **THE ACQUISITION AGREEMENT**

Reference is made to the announcement of the Company dated 8 June 2009 in relation to, among other things, the proposed acquisition of the equity interest in a company engaged in the resources related industry. After the close of trading hours on 22 June 2009, the Company, the Vendors and the Guarantors entered into the Acquisition Agreement whereby the Vendors conditionally agreed to sell, and the Company conditionally agreed to purchase the Sale Shares at a consideration of HK\$1,760,220,000 (subject to adjustments as described below), which shall be satisfied as to (i) HK\$12,800,000 by way of the Deposit; (ii) HK\$31,500,000 by the allotment and issue of the Consideration Shares to the Vendors or their nominee(s) credited as fully paid at the Issue Price at Completion; (iii) HK\$1,273,650,000 (subject to adjustments as described below) by the allotment and issue of the Convertible Preference Shares to the Vendors or their nominee(s) credited as fully paid at the Issue Price at Completion; and (iv) HK\$442,270,000 by the issue of the Promissory Notes to the Vendors or their respective nominee(s) at Completion.

\* For identification purposes only

The Sale Shares represent the entire equity interest in the Target Company as at Completion. The Target Company is an investment holding company, which is owned as to 70% by Mountain Sky and 30% by Ultra Asset. As at the date of the Acquisition Agreement, the principal asset held by the Target Company is the 90% equity interest in Golden Pogada which holds the Exploration Licence.

The 63,000,000 Consideration Shares to be allotted and issued by the Company, credited as fully paid, at the Issue Price upon Completion represents (i) approximately 24.85% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 19.91% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming none of the Options have been exercised and no part of the Convertible Bonds have been converted); and (iii) approximately 17.40% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares (assuming the Convertible Preference Shares have been converted at the Conversion Price such that the Vendors and the parties acting in concert with them hold not more than 29.99% of the enlarged issued share capital of the Company (as restricted under the terms of the Convertible Preference Shares), none of the Options have been exercised and no part of the Convertible Bonds have been converted).

The maximum 2,547,300,000 Conversion Shares to be allotted and issued upon full conversion of the 2,547,300,000 Convertible Preference Shares based on the Issue Price represents (i) approximately 10.05 times the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 88.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and such maximum number of Conversion Shares (assuming none of the Options have been exercised and no part of the Convertible Bonds have been converted).

Under the terms of the Convertible Preference Shares, among other things, the holders of the Convertible Preference Shares shall have the right to convert the Convertible Preference Shares into Conversion Shares provided that (1) any conversion of the Convertible Preference Shares does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of relevant holders of the Convertible Preference Shares and the parties acting in concert with them; (2) the number of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares (if applicable, (i) including any Shares acquired by holder(s) of the Convertible Preference Shares and the parties acting in concert with the holder(s) of the Convertible Preference Shares; (ii) in relation to Mountain Sky only, including any Shares to be issued upon the exercise of the 100,000 Options granted on 8 October 2008 to M&S Resources; and (iii) in relation to Ultra Asset only, including any Shares to be issued upon the exercise of the 2,534,800 Options granted on 15 August 2008 to Mr. Yu's Investco) represents not more than 29.99% of the then issued ordinary share capital of the Company on a fully diluted basis; (3) without prejudice to paragraph (2) above, the number of the Shares to be allotted and issued to a holder of the Convertible Preference Shares (if applicable, (i) including any Shares acquired by holder(s) of the Convertible Preference Shares; (ii) in relation to Mountain Sky only, including any Shares to be issued upon the exercise of the 100,000 Options granted on 8 October 2008 to M&S Resources; and (iii) in relation to Ultra Asset only, including any Shares to be issued upon the exercise of the 2,534,800 Options granted on 15 August 2008 to Mr. Yu's Investco) will not result in the aggregate holding by such holder of the Convertible Preference Shares to exceed 19.99% of the then issued share capital of the Company on a fully diluted basis; and (4) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the Shares at any one time in compliance with the Listing Rules.

## **LISTING RULES IMPLICATION**

The Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, the Acquisition Agreement and the transactions contemplated thereunder, including, but not limited to (i) the creation of the Convertible Preference Shares; (ii) the allotment and issue of the Consideration Shares and Convertible Preference Shares to the Vendors or their respective nominee(s), credited as fully paid, at the Issue Price upon Completion; and (iii) the issue of the Promissory Notes to the Vendors and their respective nominees(s) are subject to the approval of the Shareholders at the SGM by way of poll as required under the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors, their respective ultimate beneficial owners and associates do not hold any Shares as the date of this announcement and no Shareholder has a material interest in the Acquisition, and therefore no Shareholder is required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Acquisition Agreement and the transactions contemplated thereunder. As at the date of this announcement, M&S Resources and Mr. Yu's Investco have 100,000 and 2,534,800 outstanding Options respectively. In the event that such Options are exercised, either in whole or part, each of them and their respective associates are required to abstain from voting on the relevant resolutions at the SGM.

## **DELAY IN DESPATCH OF THE CIRCULAR**

The Circular containing, among other things, (i) further details of the Acquisition; (ii) financial information of the Group and Target Group; (iii) the valuation report on the property interests held by the Enlarged Group; (iv) the valuation report on the First Valuation of the First Area of the Mine to be prepared by a qualified independent valuer; (v) the technical review report on the Mine to be prepared by a qualified technical adviser; and (vi) the notice of the SGM will be sent to the Shareholders as soon as possible.

Pursuant to Rule 14.38A and Rule 14.48 of the Listing Rules, the Circular is required to be despatched to the Shareholders within 21 days after publication of this announcement, i.e. on or before 29 July 2009. However, it is currently expected that it will take (i) about eight to ten weeks for the Company to obtain the accountants' reports on the Target Company and Golden Pogada; (ii) about eight to ten weeks to obtain the valuation report on the property interests of the Enlarged Group; (iii) about ten to twelve weeks to obtain the technical review report on the Mine; and (iv) about ten to twelve weeks to obtain the valuation report on the First Valuation of the First Area of the Mine for inclusion in the Circular. The Company has applied to the Stock Exchange for waiver from strict compliance with Rule 14.38A and Rule 14.48 of the Listing Rules and an extension of time for despatch of the Circular to on or before 14 October 2009.

**As the Acquisition is subject to a number of conditions precedent, it may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 23 June 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 July 2009.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 8 June 2009 in relation to, among other things, the proposed acquisition of the equity interest in a company engaged in the resources related industry. After the close of trading hours on 22 June 2009, the Company, the Vendors and the Guarantors entered into the Acquisition Agreement whereby the Vendors conditionally agreed to sell and the Company conditionally agreed to purchase the Sale Shares at a consideration of HK\$1,760,220,000 (subject to adjustments as described below).

## **THE ACQUISITION AGREEMENT**

**Date:** 22 June 2009 (as amended by supplemental agreements dated 26 June 2009 and 8 July 2009)

**Parties:**

**Purchaser:** the Company

**Vendors:**

- (i) Mountain Sky, a company incorporated in BVI with limited liability holding 70% of the Sale Shares; and
- (ii) Ultra Asset, a company incorporated in BVI with limited liability holding 30% of the Sale Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners is an Independent Third Party, and, save as disclosed herein, there are no other prior and/or continuing businesses/transactions entered into or other relationships between each of the Vendors and their respective ultimate beneficial owners with the Company and its connected persons and their respective associates.

As advised by the Company, in consideration of the services rendered to the Company in connection with the introduction of certain investors and investment opportunities to the Company during 2008 by M&S Resources and Mr. Yu's Investco, each of them has been granted 100,000 Options and 2,534,800 Options at the adjusted exercise price of HK\$1.00 each on 8 October 2008 and 15 August 2008 respectively by the Company. Since the dates of grants of such Options and up to the date of this announcement, none

of these Options have been exercised. Save for the aforesaid, each of the Vendors, their respective ultimate beneficial owners and associates does not hold any Shares as at the date of this announcement.

**Guarantors:** Mr. Chan, Mr. King and Mr. Yu, being the beneficial owners holding in aggregate approximately 69.2% attributable equity interest in the Target Company, through their respective intermediate holding companies, jointly, severally, irrevocably and unconditionally guaranteed to the Company the due and punctual performance of each of Mountain Sky to refund 70% of the Deposit (or any part thereof) and Ultra Asset to refund 30% of the Deposit (or any part thereof) in accordance with the terms of the Acquisition Agreement.

### **Assets to be acquired:**

The Sale Shares, being the entire issued share capital of the Target Company as at Completion. Upon Completion, the Company will own 100% of the equity interest in the Target Company. As at the date of the Acquisition Agreement, the principal asset held by the Target Company is the 90% equity interest in Golden Pogada which holds the Exploration Licence.

Please refer to the section headed “Information of the Target Group” for further details on the Target Company, Golden Pogada and the Mine.

### **The Consideration**

The total consideration for the Acquisition is HK\$1,760,220,000 (subject to adjustments as described below), which shall be satisfied by the Company in the following manner:

- (i) HK\$8,960,000 and HK\$3,840,000 by way of a refundable deposit to Mountain Sky and Ultra Asset, respectively or their respective nominee(s) in two tranches, of which HK\$4,200,000 and HK\$1,800,000 shall be paid in cash within seven days after the signing of the Acquisition Agreement, and the remaining HK\$4,760,000 and HK\$2,040,000 shall be paid in cash on or before 15 July 2009;
- (ii) HK\$22,050,000 and HK\$9,450,000 by the allotment and issue of 44,100,000 and 18,900,000 Consideration Shares to Mountain Sky and Ultra Asset respectively or their respective nominee(s) credited as fully paid at the Issue Price at Completion by the Company;
- (iii) HK\$891,555,000 and HK\$382,095,000 by the allotment and issue of 1,783,110,000 and 764,190,000 Convertible Preference Shares, subject to the adjustments as described in the paragraph headed “Adjustments to the Consideration” under the section headed “The Acquisition Agreement” below, to Mountain Sky and Ultra Asset respectively or their respective nominee(s) credited as fully paid at the Issue Price at Completion by the Company; and
- (iv) HK\$309,589,000 and HK\$132,681,000, by the issue of the Promissory Notes to Mountain Sky and Ultra Asset respectively or their respective nominee(s) at Completion.

As at the date of this announcement, the Group has paid HK\$7,700,000 and HK\$3,300,000 to Mountain Sky and Ultra Asset respectively. The first and second tranches of the Deposit would be financed by the Group's internal resources.

If the conditions precedent to the Acquisition are not satisfied or, where applicable, waived, on or before the Long Stop Date, or such later date as the parties to the Acquisition Agreement may agree, the Acquisition Agreement shall cease and determine, and the Vendors shall refund the Deposit in full without interest to the Company within five Business Days next following the Long Stop Date.

If at any time before Completion, the Company finds that any of the Vendors' Warranties is materially incorrect or has not been or is incapable of being fulfilled, the Company may rescind the Acquisition Agreement by serving a written notice to the Vendors. In this case, the Vendors shall refund the Deposit without interest to the Company. If at any time before Completion, the Vendors find that any of the Company's Warranties is materially incorrect or has not been or is incapable of being fulfilled, the Vendors may rescind the Acquisition Agreement by serving a written notice to the Company. In this case, the Vendors shall be entitled to the Deposit.

In the event that Completion cannot take place by virtue of the approval of the Shareholders at the SGM as required by the Listing Rules or the Stock Exchange not having been obtained but conditions precedent (iv), (viii) and (x), details of which are set out under the paragraph headed "Conditions precedent" below, having been fulfilled or otherwise than as a result of the failure of the Vendors or the Company to comply with its obligations under the relevant clauses of the Acquisition Agreement in relation to the provision of documents by the Vendors and the Company at Completion, obtaining the board approval of the Target Company and Golden Pogada for the transfer of Sale Shares to the Company and the execution of a tax indemnity by the Target Company, the Company agrees that an amount equal to one-half of the Deposit shall be forfeited to the Vendors.

The Consideration was determined after arm's length negotiations between the Company and the Vendors and taking into account: (i) the Consideration was set at a discount to the valuation to be conducted by the independent valuer to be appointed by the Company, which is estimated to be not less than HK\$2,200,000,000 on the First Area of the Mine as advised by the Vendors; (ii) the adjustment mechanism to the Consideration as illustrated below in the paragraph headed the "Adjustments to the Consideration"; (iii) Completion will not take place if the valuation to be conducted by the Company on the First Area of the Mine is less than HK\$1,200,000,000; (iv) a substantial portion of the Consideration (representing approximately 99.27% of the Consideration) will be satisfied by the allotment and issue of the Consideration Shares, the Convertible Preference Shares and the Promissory Notes, except for the Deposit which has been or will be financed by internal resources of the Group, there is no immediate cash outlay by the Company to finance the Acquisition; (v) the Vendors have warranted to the Company that (a) the Target Group, other than the obligations, liabilities and debts, if any, due by the Target Group to the Vendors which shall be capitalised by the entering into of the Deed of Capitalisation at any time prior to the Completion, is not indebted to and will not incur or owe any liability, obligation or indebtedness from any person from the date of the Acquisition Agreement up to and including the time of Completion; and (b) the capital commitment of the Target Group shall not exceed HK\$10,000,000 as at Completion; and (vi) the growth potential of the iron and steel industries in the world, particularly in the PRC. The Directors (including the independent non-executive Directors) are of the opinion that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## Adjustments to the Consideration

1. Under the Acquisition Agreement, there shall not be any adjustments to the Consideration if the First Valuation shall be not less than HK\$2,200,000,000. In the event that the First Valuation shall be less than HK\$2,200,000,000, the Consideration shall be adjusted downwards in accordance with the following formula:

$$N = \text{HK\$2,200,000,000} - (A \times 0.9 \times B)$$

Where

N = the sum to be deducted from the Consideration (the “Deduction”)

A = the amount of the First Valuation provided that where the First Valuation exceeds HK\$2,200,000,000, there shall not be any adjustments to the Consideration

B = 0.889, being the discounting factor between the Consideration of HK\$1,760,220,000 (based on the 90% effective interest in the Mine held by the Target Company) and the estimated valuation of HK\$2,200,000,000 of the First Area of the Mine as advised by the Vendors

The Deduction shall be applied to set off against the PS Consideration. The total number of the Convertible Preference Shares to be allotted and issued to each of Mountain Sky and Ultra Asset in satisfying the relevant portions or amounts of the PS Consideration shall be adjusted downwards and calculated in accordance with the following formula:

$$X = \frac{C - D}{E}$$

Where

X = the number of the Convertible Preference Shares to be allotted and issued to Mountain Sky or, as appropriate, Ultra Asset in satisfying the relevant portions or amounts of the PS Consideration payable to Mountain Sky or, as appropriate, Ultra Asset and where X is not a whole number, it shall be rounded down to the nearest whole number

C = HK\$891,555,000 in relation to Mountain Sky, and HK\$382,095,000 in relation to Ultra Asset

D = 70% of the amount of the Deduction in relation to Mountain Sky, and 30% of the Deduction in relation to Ultra Asset

E = the Issue Price

According to the terms of the Acquisition Agreement, on the same date of the later of: (i) the receipt of the “no comment” fax from the Stock Exchange confirming that it has no further comment on the Circular; and (ii) the finalisation of the amount of the First Valuation (the “Finalised First Valuation”) and the corresponding valuation report for inclusion of the Circular, the Company shall issue to and serve on the Vendors the Adjustment Certificate. Within one Business Day after the issue of the Adjustment Certificate and on the condition that the Company not having received any notice from the Vendors disputing on the matters stated in the Adjustment Certificate, the Company shall issue the Circular in accordance with the requirements of the Listing Rules. In the event that the Vendors have dispute(s) on the matters stated in the Adjustment Certificate, they shall, within one Business Day after the issue of the Adjustment Certificate, notify the Company such dispute(s) whereby the Company and the Vendors shall promptly thereafter negotiate in good faith towards each other with a view to settling such dispute(s) as soon as possible. The Company shall then issue the Circular in accordance with the requirements of the Stock Exchange as soon as reasonably practicable after the settlement of such dispute(s).

2. In the event that Completion takes place with the Consideration being adjusted by the Deduction, under the terms of the Acquisition Agreement, the Company has agreed to allow the Target Company to conduct the Second Valuation on the Second Area of the Mine to determine whether the Deduction should be replenished by issuing further Convertible Preference Shares to the Vendors. In such circumstances, during the period of one year commencing from the date of Completion (the “Relevant Period”), the Company and the Vendors shall jointly procure the Target Company to undertake, perform and conduct with all reasonable despatch, further exploration, excavation and reserve verification works (the “Works”) in such areas of the Mine other than the First Area as identified and agreed by the Vendors and the Company. The costs and expenses in relation to the Works shall be borne by the Target Company and shall, unless otherwise agreed by the Company and the Vendors, be capped at HK\$15,000,000. The report on the Second Valuation shall be prepared within four months following the expiration of the Relevant Period, which shall be prepared on the same bases and assumptions as the valuation report on the First Valuation of the First Area of the Mine and adopting market comparable methodology.

If the Second Valuation shows a positive sum, the Company shall allot and issue such number of the Convertible Preference Shares, credited as fully paid at the Issue Price, to Mountain Sky and Ultra Asset calculated in accordance with the following formula:

$$Y = F/G$$

Where

Y = the number of the Convertible Preference Shares to be allotted and issued to Mountain Sky or, as appropriate, Ultra Asset

F = 70% of the product of the Second Valuation, 0.9 and 0.889 in relation to Mountain Sky or, as appropriate, 30% of the product of the Second Valuation, 0.9 and 0.889 in relation to Ultra Asset, provided where such product exceed the amount of the Deduction, F shall be taken as the amount of the Deduction

G = Issue Price

If there is any Deduction and the Second Valuation has been conducted, the Company shall issue a separate announcement as soon as practicable to inform the Shareholders of the results of the Second Valuation and, if applicable, the number of Convertible Preference Shares to be further issued to the Vendors, credited as fully paid, at the Issue Price in accordance with the terms of the Acquisition Agreement.

### **Consideration Shares**

The 63,000,000 Consideration Shares to be allotted and issued by the Company, credited as fully paid, at the Issue Price upon Completion represents (i) approximately 24.85% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 19.91% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming none of the Options have been exercised and no part of the Convertible Bonds have been converted); and (iii) approximately 17.40% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Conversion Shares (assuming the Convertible Preference Shares have been converted at the Conversion Price such that the Vendors and the parties acting in concert with them hold not more than 29.99% of the enlarged issued share capital of the Company (as restricted under the terms of the Convertible Preference Shares), none of the Options have been exercised and no part of the Convertible Bonds have been converted).

The Consideration Shares will be allotted and issued under a specific mandate to be sought from the Shareholders at the SGM. The Consideration Shares shall rank equally among themselves and pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares.

### **Convertible Preference Shares**

The principal terms of the Convertible Preference Shares to be issued by the Company are as follows:

Number of Convertible Preference Shares to be issued:	A maximum of 2,547,300,000 Convertible Preference Shares in the aggregate principal amount of HK\$1,273,650,000 at the Issue Price, subject to the adjustments as described in the paragraph headed “Adjustments to the Consideration” above.
Number of Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares in full:	A maximum number of 2,547,300,000 Conversion Shares (subject to the adjustments to the conversion price and ratio in accordance with the terms of the Convertible Preference Shares).
Conversion Price:	The initial conversion price of HK\$0.50 (subject to the adjustments for subdivision or consolidation of Shares, rights issue, dividend payments and distribution in species and other usual dilutive events) for each Convertible Preference Share.

Conversion rate:	The number of Conversion Shares to which a holder of Convertible Preference Shares shall be entitled is determined by multiplying the conversion rate then in effect by the number of Convertible Preference Shares being converted. The conversion rate of each Convertible Preference Share shall be determined by dividing the Issue Price of each Convertible Preference Share by the Conversion Price (which shall initially be at the rate of 1:1).
Conversion period:	Perpetual as from the date of issue of the Convertible Preference Shares.
Dividends:	The holders of the Convertible Preference Shares shall not be entitled to any dividend.
Conversion restrictions:	The holders of the Convertible Preference Shares shall have the right to convert the Convertible Preference Shares, at any time during the Conversion Period, into the Conversion Shares as determined by the then effective Conversion Rate provided that (1) any conversion of the Convertible Preference Shares does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Convertible Preference Shares holders and their concert parties who exercised the conversion rights; (2) the number of Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares (if applicable, (i) including any Shares acquired by holder(s) of the Convertible Preference Shares and the parties acting in concert with the holder(s) of the Convertible Preference Shares; (ii) in relation to Mountain Sky only, including any Shares to be issued upon the exercise of the 100,000 Options granted on 8 October 2008 to M&S Resources; and (iii) in relation to Ultra Asset only, including any Shares to be issued upon the exercise of the 2,534,800 Options granted on 15 August 2008 to Mr. Yu's Investco) represents not more than 29.99% of the then issued ordinary share capital of the Company on a fully diluted basis; (3) without prejudice to paragraph (2) above, the number of the Conversion Shares to be allotted and issued to a holder of the Convertible Preference Shares (if applicable, (i) including any Shares acquired by the holder(s) of the Convertible Preference Shares; (ii) in relation to Mountain Sky only, including any Shares to be issued upon the exercise of the 100,000 Options granted on 8 October 2008 to M&S Resources; and (iii) in relation to Ultra Asset only, including any Shares to be issued upon the exercise of the 2,534,800 Options granted on 15 August 2008 to Mr. Yu's Investco) will not result in the aggregate holding by such holder of

the Convertible Preference Shares to exceed 19.99% of the then issued share capital of the Company on a fully diluted basis; and (4) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the Shares at any one time in compliance with the Listing Rules.

Redemption:	The Convertible Preference Shares are non-redeemable.
Ranking:	The Convertible Preference Shares shall rank pari passu to any and all current and future preferred equity securities of the Company.
Listing:	No application will be made for the listing of the Convertible Preference Shares on the Stock Exchange or any other stock exchange.
Voting rights:	The Convertible Preference Shares have no voting rights save where the resolutions in question relate to a variation or abrogation of the rights attaching the Convertible Preference Shares in which case the holders of the Convertible Preference Shares will have the same voting rights as those attaching to the Shares on an as-converted bases.
Rights in liquidation:	On a distribution of assets of the Company among its members on a return of capital on liquidation, dissolution or winding-up (whether voluntary or involuntary) of the Company or otherwise (other than any “on market share repurchase”) (as such term is defined in the Code) of Shares by the Company made in accordance with the Rule 10.06 of the Listing Rules or equivalent provision of the Listing Rules and out of distributable profits or reserves of the Company), the Convertible Preference Shares shall entitle their holders, in priority to any holder of any other class of shares in the capital of the Company, to receive in respect of each Convertible Preference Share then held, an amount equal to the Issue Price of that Convertible Preference Share (subject to adjustments for subdivision or consolidation of Shares, rights issue, dividend payments and distribution in species and other usual dilutive events in accordance with the terms of the issue of the Convertible Preference Shares). If the assets of the Company available for distribution shall be insufficient to provide for the full payment to the holders of the Convertible Preference Shares, the Company shall make the payment on the Convertible Preference Shares on a pro rata basis.
Transferability:	The Convertible Preference Shares are transferable other than to connected persons of the Company.

The maximum 2,547,300,000 Conversion Shares to be allotted and issued upon full conversion of the 2,547,300,000 Convertible Preference Shares based on the Issue Price represents (i) approximately 10.05 times the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 88.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and such maximum number of Conversion Shares (assuming none of the Options have been exercised and no part of the Convertible Bonds have been converted).

The Convertible Preference Shares and the Conversion Shares will be issued under a specific mandate to be sought from the Shareholders at the SGM. The Conversion Shares shall rank equally among themselves and pari passu in all respects with the Shares in issue on the date of allotment and issue of such Conversion Shares.

### **Issue Price**

The issue price of HK\$0.50 for each Consideration Share or for each Convertible Preference Share (as the case may be) was determined after arm's length negotiations between the Company and the Vendors. The Issue Price represents:

- (i) a discount of approximately 71.10% to the closing price of the Shares of HK\$1.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 62.96% to the average of the closing prices of the Shares of approximately HK\$1.35 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including Last Trading Day;
- (iii) a discount of approximately 46.24% to the average of the closing prices of the Shares of approximately HK\$0.93 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 31.51% to the average of the closing prices of the Shares of approximately HK\$0.73 per Share as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 61.83% to the unaudited net assets value per Share (calculated based on the audited net assets attributable to equity holders of the Company as at 31 December 2008 divided by the number of Shares in issue as at the date of this announcement) of approximately HK\$1.31 per Share.

The Consideration, including the Issue Price, was determined after arm's length negotiations between the Vendors and the Company and taking into account, apart from the factors considered as set out under the paragraph headed "The Consideration" under the section headed "The Acquisition Agreement" in this announcement, (i) the Group has been recording audited losses attributable to Shareholders for the last eight consecutive financial years and the audited losses attributable to Shareholders have further deteriorated from approximately HK\$37.68 million for the year ended 31 December 2007 to approximately HK\$197.91 million for the year ended 31 December 2008; (ii) a substantial part of the Acquisition is to be satisfied by way of the allotment and issue of the Consideration Shares and the Convertible

Preference Shares and the issue of the Promissory Notes, and it is in the interests of the Company to finance the Acquisition without incurring any costs of borrowing and reducing the impact on the Company's liquidity and financial position as a result of the Acquisition; and (iii) the Consideration was based on the valuation on the First Area of the Mine, an area which represents merely approximately 8.33% of the total area of the Mine. Moreover, it is noted that the Share price has recently surged from HK\$0.71 per Share (being the closing price as at 29 May 2009, the last trading day in May 2009) to HK\$1.73 per Share (being the Last Trading Day), which represents an increase of approximately 111.0%. The Issue Price also represents an approximately 24.24% discount to the average of the closing prices of approximately HK\$0.66 per Share for the last 100 consecutive trading days up to and including the Last Trading Day. Based on the aforesaid, the Directors consider that the Consideration, including the Issue Price, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares to be allotted and issued pursuant to the Acquisition Agreement and upon the exercise of the conversion rights attached to the Convertible Preference Shares.

### **Promissory Notes**

The principal terms of the Promissory Notes which will be issued at Completion are as follows:

Principal amount:	HK\$442,270,000, of which HK\$309,589,000 to Mountain Sky and HK\$132,681,000 to Ultra Asset
Maturity date:	the date falling two years from the date of issue of the Promissory Notes
Interest rate:	2% per annum payable annually in arrears on the principal amount
Security:	Unsecured

The Company may, by giving not less than 10 Business Days' notice in writing, redeem any or part of the Promissory Notes, at any time and from time to time after the date of issue of the Promissory Notes. The principal amount of the Promissory Notes outstanding on the maturity date, together with the interest accrued thereon, shall be repayable in one lump sum on its maturity date.

## **Conditions precedent**

Completion shall be conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the Company, acting reasonably, confirming that it is satisfied with the results of the due diligence review to be conducted under the relevant clause of the Acquisition Agreement;
- (ii) all necessary governmental and other consents and approvals required to be obtained on the part of each of the Vendors, the Target Company, Golden Pogada and the Company in respect of this Acquisition Agreement and the transactions contemplated thereunder having been obtained;
- (iii) the passing of resolutions by the Shareholders at the SGM to approve the Acquisition Agreement and the transactions contemplated thereunder, including, but not limited to, (i) the creation of the Convertible Preference Shares; (ii) allotment and issue of the Consideration Shares and the Convertible Preference Shares to the Vendors or their respective nominee(s) at the Issue Price credited as fully paid; and (iii) the issue of the Promissory Notes to the Vendors or their respective nominee(s);
- (iv) the obtaining of a Mongolian legal opinion (in form and substance satisfactory to the Company) from a firm of Mongolian legal advisers appointed by the Company in relation to this Acquisition Agreement and the transactions contemplated thereunder, including, but not limited to, the due incorporation of Golden Pogada, the business scope of Golden Pogada, compliance with local laws and regulations by Golden Pogada, legality and ownership of the Exploration Licence and the Mining Rights Licence and such other matters as may be reasonably required in relation to Golden Pogada;
- (v) the Vendors' Warranties remaining true and accurate in all material respects subject to the matters Disclosed;
- (vi) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Conversion Shares and the Consideration Shares;
- (vii) (if applicable) the approval of the Bermuda Monetary Authority in respect of the allotment and issue of the Consideration Shares and the Convertible Preference Shares by the Company;
- (viii) the obtaining of a valuation report (in form and substance satisfactory to the Company) from an independent valuer appointed by the Company showing the First Valuation to be not less than HK\$1,200,000,000;
- (ix) the issue of the Circular by the Company as required under the Listing Rules;
- (x) the obtaining of the Mining Rights Licence by Golden Pogada; and
- (xi) the Company's Warranties remaining true and accurate in all material respects, subject to the matters Disclosed by the Company.

The Company may waive in whole or in part all or any of the conditions (i), (iv) and (v) as stated above. The Vendors may waive in whole or in part the condition (xi). Conditions (ii), (iii), (vi), (vii), (viii), (ix) and (x) cannot be waived by any parties to the Acquisition Agreement. In the event that the conditions above are not satisfied or, where applicable waived, on or before 4:00 p.m. on the Long Stop Date, the Acquisition Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder and the Vendors shall severally refund the Deposit to the Company in accordance with the terms disclosed in the paragraph headed “The Consideration” under the section headed “The Acquisition Agreement” in this announcement.

### **Undertaking by the Vendors on the May Management Accounts and the June Management Accounts**

Under the terms of the Acquisition Agreement, as part of the due diligence review to be performed by the Company, the Vendors have undertaken to the Company that they shall:

- (i) within ten Business Days after the date of the Acquisition Agreement, deliver to the Company the May Management Accounts; and
- (ii) within ten Business Days after the June Management Accounts Date, deliver to the Company, the June Management Accounts.

### **Completion**

Completion shall take place on the date falling on the third Business Day after the fulfillment or, where applicable, waiver of the conditions precedent to the Acquisition Agreement or such other date as the Vendors and Company may agree in writing. Upon Completion, the Company has no plans to change the composition of the Board as a result of the Acquisition.

### **INFORMATION OF THE TARGET GROUP**

The Target Company was incorporated in BVI with limited liability on 29 May 2009 and as at the date of this announcement, each of Mountain Sky and Ultra Asset is beneficially interested in 70% and 30% of the issued share capital of the Target Company, respectively. The Sale Shares shall comprise the entire issued share capital of the Target Company upon the completion of the allotment and issue of shares of the Target Company pursuant to the Deed of Capitalisation. As at the date of this announcement, the principal asset held by the Target Company is the 90% equity interest in Golden Pogada.

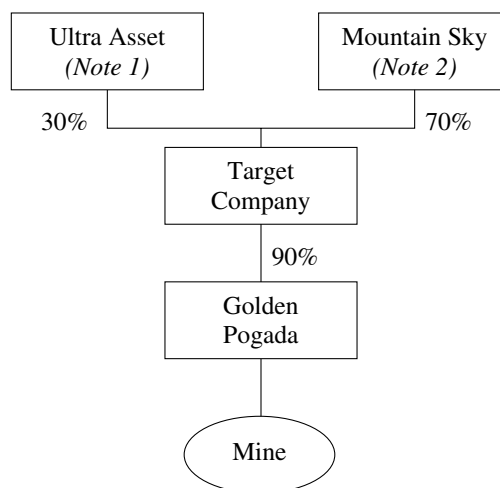
Golden Pogada was incorporated in Mongolia with limited liability on 18 January 2007 and as at the date of this announcement, has an issued share capital of 142,100,000 MNT (equivalent to approximately HK\$767,340), 90% of which is owned by the Target Company. The remaining 10% equity interest in Golden Pogada is held by a Mongolian national, who is an Independent Third Party. As advised by the Vendors, Golden Pogada is principally engaged in geological survey, exploration and development of coal and other mineral deposits and foreign trade. As advised by the Vendors, on 25 May 2009, the Exploration Licence has been duly transferred to and registered under Golden Pogada in accordance with the Minerals Law of Mongolia and will expire on 23 August 2010.

As advised by the Vendors, the Mine, Oyut Ovoo property, is an iron mine located in Dundgobi aimag (province) approximately 270 km southwest of Ulaan Baatar, the capital of Mongolia and 75 km west of Mandalgobi, the capital of Dundgobi. The Mine has an area of 1,201 hectares and is approximately 265 km away from the Trans-Siberian Railway. The Mine is accessed by roads from Mandalgobi, which also serves as a service centre and is located approximately midway between Dalanzadgad to the south, and Ulaan Bataar to the north. The Mine is approximately 300 km north of the well-known Oyu Tolgoi copper-gold deposit in the South Gobi region which was discovered by an international mining company with operations focused in the Asia Pacific region. The Mine was founded by Russian geologists in the 1960s and preliminary geological exploration was carried out by them. Subsequently, detailed mine seismic and drilling works were carried out by Canadian and Mongolian companies.

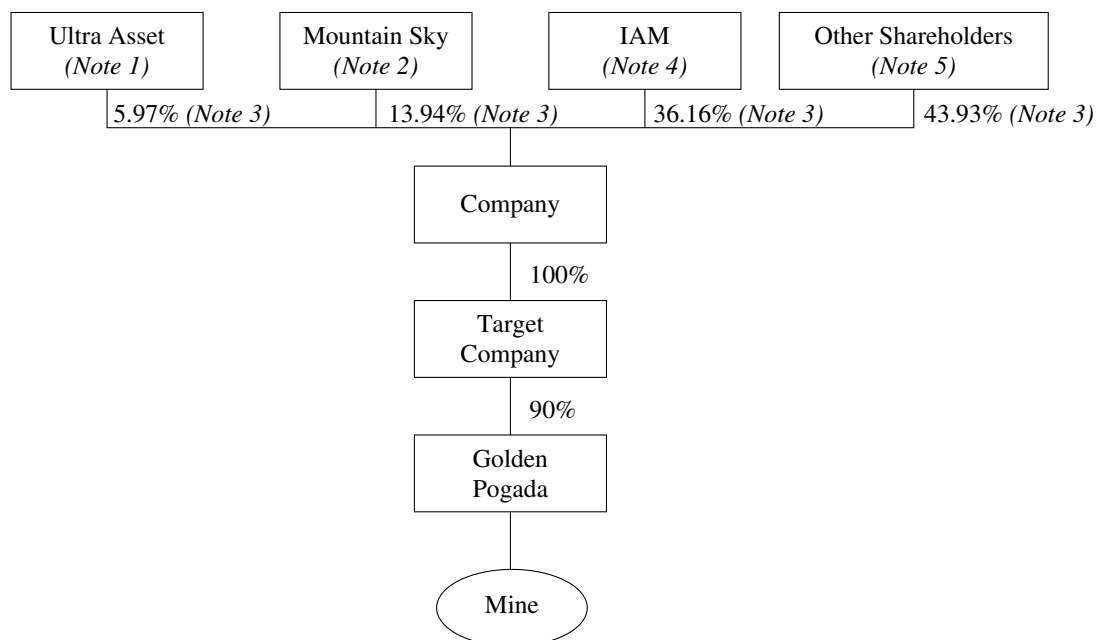
As at the date of this announcement, as advised by the Vendors, Golden Pogada has submitted an application to the Office of Geological and Mining Cadastre, which is an office under the Mineral Resources Authority of Mongolia, to apply for the Mining Rights Licence.

Set out below are the charts showing the shareholding structures of the Target Group immediately before and after Completion:

*Shareholding structure of the Target Group immediately before Completion*



*Shareholding structure of the Target Group immediately after Completion (Note 6)*



*Notes:*

1. Ultra Asset is beneficially owned as to 60% by Mr. Yu (through Mr. Yu's Investco) and 40% by one of the Other Three Partners.
2. Mountain Sky is beneficially owned as to, through their respective intermediate holding companies, approximately 36.57% by Ms. Kung (being the wife of Mr. King), approximately 36.57% by Mr. Chan and approximately 26.86% by two of the Other Three Partners.
3. Assuming (i) none of the Convertible Preference Shares has been converted; (ii) none of the Option have been exercised; and (iii) no part of the Convertible Bonds have been converted.
4. IAM is wholly and beneficially owned by Mr. Yam. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors is not acting in concert (as defined in the Code) with IAM and parties acting in concert with it and each of the Vendors also has no prior and/or continuing businesses/transactions entered into or other relationships with IAM, its ultimate beneficial owner and their respective associates.
5. Being other Shareholders, including 10,000,000 Shares (representing approximately 3.16% of the issued share capital of the Company) held by Mr. Tse Michael Nam, an executive Director and the Chairman of the Company.
6. The above shareholding chart is set out for illustrative purposes and is prepared on the assumption that the valuation amount of the First Valuation is not less than HK\$2,200,000,000.

The Vendors are still in the course of compiling the relevant financial information for the Target Company and Golden Pogada. The Vendors have undertaken to the Company that they will deliver to the Company, the May Management Accounts and the June Management Accounts within ten Business Days after the date of the Acquisition Agreement and the June Management Accounts Date, respectively as part of the due diligence review to be performed by the Company and, as the case may be, for inclusion in the Circular.

Even though the relevant financial information of the Target Group was not available prior to the signing of the Acquisition Agreement, pursuant to the Acquisition Agreement, in connection with the financial aspects of the Target Group, the Vendors have further warranted that, inter alia, (i) the Target Group, other than the obligations, liabilities and debts, if any, due by the Target Group to the Vendors which shall be capitalised by the entering into of the Deed of Capitalisation at any time prior to the Completion, is not indebted to and will not incur or owe any liability, obligation or indebtedness from any person from the date of the Acquisition Agreement up to and including the time of Completion; (ii) the capital commitment of the Target Group shall not exceed HK\$10 million as at Completion; (iii) the May Management Accounts and the June Management Accounts will give a true and fair view of the state of affairs of the Target Group as at the May Management Accounts Date and the June Management Accounts Date respectively; and (iv) the consolidated profits or losses of the Target Group for the financial periods ended on the May Management Accounts Date and June Management Accounts Date will be prepared in accordance with the generally accepted accounting principle in Hong Kong consistently applied.

Given that the Target Company acquired the 90% equity interest in Golden Pogada in mid-June 2009 from a company beneficially owned by Mr. King, Mr. Chan and one of the Other Three Partners and the June Management Accounts is expected to be delivered to the Company on or about 15 July 2009 (being the tenth Business Day after the June Management Accounts Date), the Company will issue a separate announcement to set out the financial information of the Target Group as required under Rule 14.58(6) and Rule 14.58(7) of the Listing Rules once they are available and include the audited financial information of the Target Group as required by Rule 14.69(4) of the Listing Rules in the Circular.

## **REASONS FOR THE ACQUISITION**

The Group has been principally engaged in the distribution and the provision of systems integration services to the banking and finance sectors (the “IT Business”) for a number of years and has been generating steady income to the Group. It has always been the Group’s strategy to look for attractive acquisition opportunities so as to boarden the revenue base of the Group. In 2007 and 2008, the Group established the agro-conservation and bio-energy businesses (together the “Agro-Conservation and Bio-energy Businesses”) by way of setting up joint ventures and/or acquisitions. Those businesses are still in their initial stages of development. For the year ended 31 December 2008, the turnover of the Group was approximately HK\$109,723,000, of which approximately HK\$63,320,000 and approximately HK\$45,830,000 were derived from the IT Business and the Agro-Conservation and Bio-energy Businesses respectively. For the same year, the Group recorded a net loss attributable to Shareholders of approximately HK\$197,910,000, which was principally due to the impairment of goodwill and intangible assets of the Agro-Conservation and Bio-energy Businesses.

On 8 April 2009 and 5 May 2009, the Company announced that, Green Global Salix China Limited (formerly known as Quest Asia Development Limited, one of the wholly owned subsidiaries of the Company engaged in the Agro-Conservation Business) was not able to meet the minimum income guarantee of HK\$15,800,000 as disclosed in the circular of the Company dated 16 August 2007. The Group was then compensated by the aggregate settlement of HK\$70,000,000 in cash and in the partial reduction of the outstanding principal amount of the Convertible Bonds as stipulated in the acquisition agreement dated 20 July 2007. Given

that the pace of development of the Agro-Conservation and Bio-energy Businesses is slower than expected and the return on investment from these projects may be delayed due to various factors including the current global financial crisis, the management of the Company has been exploring various options to improve the Group's profitability and financial performance. Such options may include the slowing down and/or downsizing and/or disposal of part or all of the operations of the Agro-Conservation and Bio-energy Businesses. As at the date of this announcement, the Company has no concrete plan in this regard. The Company shall inform Shareholders as and when appropriate and will comply with the relevant requirements under the Listing Rules should such transaction(s) materialise(s).

It is noted that the PRC has been an importer of iron ores and concentrates from other countries for many years. According to the statistics issued by the National Bureau of Statistics of China, the PRC has imported approximately 382,700,000 tonnes and 443,600,000 tonnes of iron ores and concentrates from other countries in 2007 and 2008 respectively. It is expected that the PRC will continue to import iron ores and concentrates from other countries since the domestic supply of iron ores and concentrates would not be able to meet its domestic demand. The PRC's appetite for iron ores and concentrates is driven by the extensive and continual construction of infrastructures (such as power stations, ports, highways and railways) as a result of its rapid industrialisation. With reference to the iron ore prices in the PRC based on information published by Beijing Antaike Information Development Co., Ltd. (a provider of information for the mining and metal industries of the PRC), the iron ore prices in the PRC have remained relatively stable for the first three quarters of 2007. However, since then, the iron ore prices have become relatively volatile but on an increasing trend in general. The iron ore prices in the PRC peaked in the first quarter of 2008 recording an increase of over 100% when compared to the same period in 2007. From the second quarter of 2008 onwards, the iron ore prices in the PRC remained relatively stable until the last quarter of 2008. In the fourth quarter of 2008, the iron ore prices in the PRC dropped by approximately 50% and returned to the similar price levels as that of the first quarter of 2007, which was principally contributed by the excess supply of steel in the PRC market and the worldwide financial turmoil in the second half of 2008. The prices of iron ore have remained relatively stable since then.

In consideration of the aforesaid, despite the fact the iron ore prices have been relatively volatile in the last few quarters, the Company considers that the mining industry related to iron ore resources has considerable development potentials given there is still substantive demand for iron in the PRC. To this end, the Directors have identified the Mine as an appropriate acquisition target for the Group due to its advantageous proximity to main transportation routes and cities, access to electricity and water supplies and its strategic location to prominent steel producers in the PRC which will reduce the costs of transportation for the Group. The Directors consider that the Acquisition is an opportune investment for the Group to allow it to participate in a resources-related industry and expect that the Acquisition will present the Group with favorable long term prospects.

Based on the aforesaid, the Board is of the opinion that the terms of the Acquisition Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table set out the shareholding structure of the Company, assuming that the amount of the First Valuation is not less than HK2,200,000,000 and there are no other changes to the issued share capital of the Company, (i) Scenario 1: as at the date of this announcement; (ii) Scenario 2: immediately after the issue of the Consideration Shares (assuming none of the Options have been exercised and no part of the Convertible Preference Shares and the Convertible Bonds have been converted); (iii) Scenario 3: immediately after the allotment and issue of the Consideration Shares and the conversion of the Convertible Preference Shares (assuming the Convertible Preference Shares are converted at the Conversion Price such that the Vendors and parties acting in concert with them hold not more than 29.99% of the enlarged share capital of the Company, none of the Options have been exercised and no part of the Convertible Bonds have been converted); and (iv) Scenario 4: for illustrative purposes, immediately after the issue of the Consideration Shares and the full conversion of the maximum of 2,547,300,000 Convertible Preference Shares (assuming none of the Options have been exercised and no part of the Convertible Bonds have been converted):

Shareholders	Scenario 1 (Note 1)		Scenario 2 (Note 1)		Scenario 3 (Notes 1 and 2)		Scenario 4 (Notes 1 and 2)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
IAM (Note 3)	114,436,657	45.15	114,436,657	36.16	114,436,657	31.61	114,436,657	4.00
Mr. Tse Michael Nam, an executive Director	10,000,000	3.95	10,000,000	3.16	10,000,000	2.76	10,000,000	0.35
Vendors								
– Consideration Shares	–	–	63,000,000	19.91	63,000,000	17.40	63,000,000	2.20
– Convertible Preference Shares	–	–	–	–	45,584,500	12.59	2,547,300,000	88.95
Subtotal	–	–	63,000,000	19.91	108,584,500	29.99	2,610,300,000	91.15
Public Shareholders	129,047,868	50.90	129,047,868	40.77	129,047,868	35.64	129,047,868	4.50
Total	253,484,525	100.00	316,484,525	100.00	362,069,025	100.00	2,863,784,525	100.00

### Notes:

- As at the date of this announcement, there are 30,784,335 outstanding Options entitling the holders thereof to subscribe for, based on the respective prevailing exercise prices of the Options and conversion price of the outstanding Convertible Bonds, a total of 30,784,335 new Shares and the Convertible Bonds entitling the holder to convert into 5,380,434 new Shares. Upon Completion, the conversion price of the outstanding Convertible Bonds will be required to be adjusted under the terms of the instrument of the Convertible Bonds.
- The figures are provided for illustrative purposes only. Under the terms of the Convertible Preference Shares, among other things, the number of Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares (if applicable, (i) including any Shares acquired by the holders of the Convertible Preference Shares and the parties acting in concert with the holder(s) of the Convertible Preference Shares; (ii) in relation to Mountain Sky only, including any Shares to be issued upon the exercise of the 100,000 Options granted on 8 October 2008 to M&S Resources; and (iii) in relation to Ultra Asset only, including any Shares to be issued upon the exercise of the 2,534,800 Options granted on 15 August 2008 to Mr. Yu's Investco) shall not be more than 29.99% of the then issued ordinary share capital of the Company on a fully diluted basis.
- IAM is wholly and beneficially owned by Mr. Yam.

## **RISK FACTORS**

### **Risks relating to the Acquisition**

#### *Entering into a new business*

Iron ore mining and exploration is a new business for the Group. The success of this new business is dependent on a number of factors, including the timely construction and implementation of the processing plant, the recruitment of competent professionals and experienced personnel, stringent controls over investment and production costs and the constant supply of electricity and water to the Mine. As the Acquisition would present management and operational challenges to the Group, in order to ensure a smooth operation, the Company intends to build up a professional management and technical team as soon as possible to run the new business. Should there be any delays and/or adverse incidents, the financial condition and results of operation of the Enlarged Group will be affected.

#### *Application for the Mining Rights Licence*

As set out under the paragraph headed “Conditions precedent” under the section headed “The Acquisition Agreement”, the obtaining of the Mining Rights Licence is one of the key conditions precedent for Completion. There can be no assurance that Golden Pogada will be able to obtain the Mining Rights Licence before the Long Stop Date (or such later date as may be agreed by the parties to the Acquisition Agreement). Any problems or delay, in the application process for the Mining Rights Licence may in turn materially and adversely affect the timing for Completion.

#### *Fluctuation of iron ore and concentrate prices*

The profitability of the Enlarged Group’s mining operations and earnings may be affected by fluctuations in the market prices of iron ores and concentrates and the cyclical nature of the international market. These fluctuations may be influenced by numerous factors which are beyond the control of the Enlarged Group, including global production of iron ore and the global and PRC economic conditions and industrial demands for iron. Any sustained adverse movements in iron prices are expected to have a negative impact on the Enlarged Group’s financial condition and results of the operation of the Mine.

#### *Uncertainty in relation to major capital expenditure*

The amount of capital expenditure required to pay for the construction of mining facilities, equipment and the processing plants may be more than budgeted.

The completion of such proposed constructions could be delayed or adversely affected by factors outside the control of the Enlarged Group, including the failure to obtain the necessary regulatory approvals, technical difficulties and manpower shortage or other resource constraints.

As a consequence of project delays, cost overruns, changes in market circumstances or other factors, the intended economic benefits from this project may not materialise as budgeted.

## *Work safety*

Any occurrence of accidents may disrupt the mining operation of the Enlarged Group and may result in a mandatory suspension of operation, financial losses, compensatory claims, fines, penalties or damage to the reputation of the Enlarged Group.

## **Risks relating to conducting the mining operation in Mongolia**

Both domestic and international economic factors may have an influence on the value of the Mine. Such factors include but are not be limited to changes in governmental policies, the liquidity of the global financial markets, world terrorism, natural disasters, interests and exchange rates changes, inflation, trade sanctions and changes in taxation laws. Golden Pogada is established and will operate, under the laws of Mongolia. The Group is unable to forecast the impact of any changes in the Mongolian Laws over the lifetime of Golden Pogada.

## **LISTING RULES IMPLICATION**

The Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.49 of the Listing Rules, the Acquisition Agreement and the transactions contemplated thereunder, including, but not limited to (i) the creation of the Convertible Preference Shares; (ii) the allotment and issue of the Consideration Shares and Convertible Preference Shares to the Vendors or their respective nominee(s), credited as fully paid, at the Issue Price upon Completion; and (iii) the issue of the Promissory Notes to the Vendors and their respective nominees(s) are subject to the approval of the Shareholders at the SGM by way of poll as required under the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors, their respective ultimate beneficial owners and associates do not hold any Shares as the date of this announcement and no Shareholder has a material interest in the Acquisition, and therefore no Shareholder is required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Acquisition Agreement and the transactions contemplated thereunder. As the date of this announcement, M&S Resources and Mr. Yu's Investco have 100,000 and 2,534,800 outstanding Options respectively. In the event that such Options are exercised, either in whole or part, each of them and their respective associates are required to abstain from voting on the relevant resolutions at the SGM.

## **DELAY IN DESPATCH OF THE CIRCULAR**

The Circular containing, among other things, (i) further details of the Acquisition; (ii) financial information of the Group and the Target Group; (iii) the valuation report on the property interests held by the Enlarged Group; (iv) the valuation report on the First Valuation of the First Area of the Mine to be prepared by a qualified independent valuer; (v) the technical review report on the Mine to be prepared by a qualified technical adviser; and (vi) the notice of the SGM will be sent to the Shareholders as soon as possible.

Pursuant to Rule 14.38A and Rule 14.48 of the Listing Rules, the Circular is required to be despatched to the Shareholders within 21 days after publication of this announcement, i.e. on or before 29 July 2009. However, it is currently expected that it will take (i) about eight to ten weeks for the Company to obtain the accountants' reports on the Target Company and Golden Pogada; (ii) about eight to ten weeks to obtain the valuation report on the property interests of the Enlarged Group; (iii) about ten to twelve weeks to obtain the technical review report on the Mine; and (iv) about ten to twelve weeks to obtain the valuation report on the First Valuation of the First Area of the Mine for inclusion in the Circular. The Company has applied to the Stock Exchange for waiver from strict compliance with Rule 14.38A and Rule 14.48 of the Listing Rules and an extension of time for despatch of the Circular to on or before 14 October 2009.

**As the Acquisition is subject to a number of conditions precedent, it may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m on 23 June 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 July 2009.

## **DEFINITIONS**

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

“Acquisition”	the proposed acquisition of the Sale Shares by the Company pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional acquisition agreement dated 22 June 2009 as amended by supplemental agreements dated 26 June 2009 and 8 July 2009 entered into between the Company, the Vendors and the Guarantors in relation to the Acquisition
“Adjustment Certificate”	a written certificate issued by the Company and served on the Vendors (i) showing the calculation of the Deduction based on the Finalised First Valuation; (ii) certifying the amount of the Deduction to be made based on the Finalised First Valuation; (iii) certifying the amount of the Deduction to be set off against the PS Consideration based on the Finalised First Valuation; and (iv) the number of the Convertible Preference Shares to be allotted and issued to Mountain Sky or, as appropriate, Ultra Asset in satisfying the relevant portions or amounts of the PS Consideration payable to Mountain Sky or, as appropriate, Ultra Asset
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“Circular”	the circular to be issued to the Shareholders by the Company in accordance with the Listing Rules in respect of, among other things, further details of the Acquisition and the transactions contemplated under the Acquisition Agreement
“Code”	the Hong Kong Code on Takeovers and Mergers
“Company”	Green Global Resources Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Company’s Warranties”	the representations and warranties given by the Company in the relevant clauses of the Acquisition Agreement
“Completion”	the completion of the Acquisition
“connected person”	the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of the Acquisition, being the sum of HK\$1,760,220,000 (subject to adjustments)
“Consideration Share(s)”	an aggregate of 63,000,000 new Shares to be allotted and issued by the Company to the Vendors or its nominee(s) at the Issue Price per Share at Completion credited as fully paid pursuant to the Acquisition Agreement
“Conversion Price”	the initial conversion price of the Convertible Preference Shares, being HK\$0.50 (subject to adjustments for subdivision or consolidation of Shares, rights issue, dividend payments and distribution in species and other usual dilutive events in accordance with the terms of the issue of the Convertible Preference Shares)
“Conversion Share(s)”	new Share(s) to be allotted and issued to the holders of the Convertible Preference Shares by the Company credited as fully paid upon exercise of the conversion rights attaching to the Convertible Preference Shares in accordance with the applicable conversion rate

“Convertible Bonds”	the convertible bonds due 2010 issued by the Company which entitle the holders thereof to convert the outstanding principal amount into Shares at the prevailing conversion price of HK\$4.60 per Share (subject to adjustments) at any time from the date of issue up to and including 1 October 2010
“Convertible Preference Shares”	the new class of shares of nominal value of HK\$0.01 each in the capital of the Company to be created, carrying the rights for conversion into Shares
“Deed of Capitalisation”	the deed of capitalisation to be made among the Target Company and the Vendors pursuant to which the Target Company will allot and issue Shares to the Vendors, as to 70% to Mountain Sky and as to 30% to Ultra Asset, to settle all obligations, liabilities and debts owing or incurred by the Target Company to the Vendors, on such pro-rata basis, on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, in the form and substance satisfactory to the Company
“Deposit”	the cash deposit payments of HK\$8,960,000 and HK\$3,840,000 made or to be made to Mountain Sky and Ultra Asset respectively or their respective nominee(s) by the Company as part of the Consideration pursuant to the terms of the Acquisition Agreement
“Director(s)”	the director(s) of the Company
“Disclosed”	disclosed in a full, fair, specific and accurate manner the Acquisition Agreement and any agreements or other documents attached or referred to the Acquisition Agreement and/or the disclosure letter
“Enlarged Group”	the Group as enlarged by the Acquisition immediately after Completion
“Exploration Licence”	the exploration rights licence no. 3629X granted to Golden Pogada in relation to the Mine
“First Area”	the mining area of approximately 100 hectares with geographical co-ordinates of: (1) N45°44’08” E105°18’56”; (2) N45°44’08” E105°19’36”; (3) N45°43’44” E105° 19’36”; and (4) N45° 43’44” E105° 18’56”

“First Valuation”	100% of the value of the reserves and resources of iron ore in the First Area of the Mine as shown in the valuation report on the First Area of the Mine to be prepared by an independent professional valuer to be included in the Circular, which is based on the technical report to be prepared by a technical adviser in accordance with Chapter 18 of the Listing Rules. Such valuation shall be prepared in compliance with the requirements of the Listing Rules, on a market comparable methodology and such bases and assumptions as may be agreed by the Company and the Vendors
“Golden Pogada”	Golden Pogada LLC, a company incorporated in Mongolia with limited liability on 18 January 2007 and beneficially owned as to 90% by the Target Company
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Chan, Mr. King and Mr. Yu, who have guaranteed to the Company on the due and punctual performance of the Vendors to refund the Deposit under the terms of the Acquisition Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IAM”	Integrated Asset Management (Asia) Limited, a company wholly and beneficially owned by Mr. Yam, holding 114,436,657 Shares, representing 45.15% of the issued share capital of the Company as the date of this announcement
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Issue Price”	the issue price of HK\$0.50 for each Consideration Share or for each Convertible Preference Share (as the case may be)
“June Management Accounts”	(i) the unaudited consolidated balance sheet of the Target Group as at the June Management Accounts Date; (ii) the unaudited balance sheet of Golden Pogada as at the June Management Accounts Date; (iii) the unaudited consolidated profit and loss accounts of the Target Group commencing from the date of its incorporation to the June Management Accounts Date; and (iv) the unaudited profit and loss accounts of Golden Pogada commencing from the date of its incorporation to the June Management Accounts Date

“June Management Accounts Date”	30 June 2009
“Last Trading Day”	22 June 2009, being the last trading day on which the Shares were traded on the Stock Exchange prior to suspension of trading in the Shares pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2009 (or such a later date as may be agreed by the parties to the Acquisition Agreement)
“M&S Resources”	M&S Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, which is currently beneficially owned as to 40% by Ms. Kung, 40% by Mr. Chan and 20% by one of the Other Three Partners and the holder of 100,000 Options. It was wholly and beneficially owned by Ms. Kung at the time such Options were granted on 8 October 2008
“May Management Accounts”	(i) the unaudited consolidated balance sheet of the Target Group as at the May Management Accounts Date; (ii) the unaudited balance sheet of the Target Company as at the May Management Accounts Date; (iii) the unaudited balance sheet of Golden Pogada as at the May Management Accounts Date; (iv) the unaudited consolidated profit and loss accounts of the Target Group commencing from the date of its incorporation to the May Management Accounts Date; (v) the unaudited profit and loss accounts of the Target Company commencing from the date of its incorporation to the May Management Accounts Date; and (vi) the unaudited profit and loss accounts of Golden Pogada commencing from the date of its incorporation to the May Management Accounts Date
“May Management Accounts Date”	31 May 2009
“Mine”	the Oyut Ovoo property, which is an iron mine located in Dundgobi aimag (province) approximately 270 km southwest of Ulaan Baatar, capital of Mongolia and 75 km west of Mandalgobi, having an area of approximately 1,201 hectares
“Mining Rights Licence”	the licence to be granted by the relevant governmental authority to Golden Pogada for the mining of iron ore and/or related minerals ores at the Mine on such terms and conditions which are acceptable to the Company

“Mountain Sky”	Mountain Sky Resources (Mongolia) Limited, a company incorporated in BVI with limited liability
“Mr. Chan”	Mr. Chan-Kwan Hung, the director of Golden Pogada, one of the Guarantors and one of the directors of the Target Company and of Mountain Sky
“Mr. King”	Mr. King Jun Chih, Joseph, one of the Guarantors and one of the directors of the Target Company and of Mountain Sky
“Mr. Yam”	Mr. Yam Tak Cheung, the beneficial owner of the entire issued share capital of IAM
“Mr. Yu”	Mr. Yu Tsung Chin, William, one of the Guarantors
“Mr. Yu’s Investco”	a company wholly and beneficially owned by Mr. Yu, which holds 60% equity interest in Ultra Asset
“Ms. Kung”	Ms. Kung Lui, the wife of Mr. King
“Options”	the share options granted under the share option scheme adopted by the Shareholders on 30 May 2002, 30,784,335 of which are outstanding with adjusted exercise prices ranging from HK\$1.00 to HK\$24.98 each as at the date of this announcement
“Other Three Partners”	the other three beneficial owners holding an aggregate of approximately 30.80% attributable interest in the Target Company
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PS Consideration”	the maximum consideration of HK\$891,555,000 and HK\$382,095,000 by the allotment and issue of 1,783,110,000 and 764,190,000 Convertible Preference Shares to Mountain Sky and Ultra Asset respectively or their respective nominee(s) credited as fully paid at the Issue Price subject to adjustments at Completion
“Promissory Notes”	the 2% coupon promissory notes in an aggregate principal amount of HK\$442,270,000 to be issued by the Company to the Vendors or their respective nominee(s) at Completion

“Sale Shares”	such shares of US\$1.00 which represent 100% of the issued share capital of the Target Company upon completion of the allotment and issuance of further shares of the Target Company pursuant to the Deed of Capitalisation
“Second Area”	such areas of the Mine other than the First Area as identified and agreed by the Vendors and the Company for the purpose of conducting the Second Valuation if required
“Second Valuation”	100% of the value of the reserves and resources of iron ore and, if any, other minerals ores of substantive quantities in the Second Area of the Mine prepared in accordance with relevant clause of the Acquisition Agreement
“SGM”	a special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, inter alia, the Acquisition Agreement and the transactions contemplated thereunder
“SFC”	the Securities and Future Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	North Asia Resources Group Limited, a company incorporated on 29 May 2009 in BVI with limited liability
“Target Group”	the Target Company and Golden Pogada
“Ultra Asset”	Ultra Asset International Ltd., a company incorporated in BVI with limited liability
“Vendors”	Mountain Sky and Ultra Asset
“Vendors’ Warranties”	the representations and warranties given by the Vendors in the relevant clauses of the Acquisition Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“km”	kilometers

“MNT” Mongolian Tugrik, the lawful currency of Mongolia  
“%” per cent.

By order of the Board  
**Green Global Resources Limited**  
**Tse Michael Nam**  
*Chairman*

Hong Kong, 8 July 2009

As at the date of this announcement, the Directors are as follows:

*Executive Directors:*

Mr. Tse Michael Nam

Mr. Puongpun Sananikone

*Independent non-executive Directors:*

Mr. Lim Yew Kong, John

Mr. Albert Theodore Powers

Mr. Pang Seng Tuong

*For the purpose of illustration only, translation of MNT into HK\$ is made in this announcement at the rate of MNT1=HK\$0.0054. No representation is made that any amounts in HK\$ and MNT could have been or could be converted at the above rate and at any other rates or at all.*