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BEL GLOBAL RESOURCES HOLDINGS LIMITED
百營環球資源控股有限公司
(incorporated in Bermuda with limited liability)
(stock code: 761)

UPDATES ON LITIGATION REGARDING HCA 1240 OF 2012

References are made to (i) the circular of Bel Global Resources Holdings Limited (the “**Company**”) dated 21 December 2007 (the “**Circular**”) and the announcements of the Company dated 6 May 2008, 27 June 2012, 12 July 2012 and 20 July 2012 respectively in relation to, among other things, the issuance of the Tranche 2 Bonds; and (ii) the announcements of the Company dated 30 January 2013, 14 May 2013, 31 July 2013, 23 October 2013, 20 March 2014, 11 April 2014, 30 March 2015, 26 May 2015, 19 April 2016 and 17 October 2016, in relation to, among other things, the claims against the Company by Johnson Electric International Limited (“**Johnson Electric**”) in respect of the Tranche 2 Bonds (“**JE T2 Bonds**”) in the principal amount of HK\$28,750,000 held by Johnson Electric (together, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcements.

The Board announces that the settlement proposal (the “**JE Settlement Proposal**”) in respect of the JE T2 Bonds was accepted by Johnson Electric on 7 February 2018. According to the JE Settlement Proposal, subject to the fulfillment of conditions (as set out below), the JE T2 Bonds will be converted in the shares of the Company at the original conversion price of HK\$0.6 per share (subject to adjustments under the terms and conditions of the Tranche 2 Bonds and the relevant bond instrument) and the related legal proceedings will be dismissed. The major terms of the JE Settlement Proposal are as follows:

- (1) The JE Settlement Proposal is conditional upon the following:
 - (a) the passing of ordinary resolutions by the shareholders of the Company approving the JE Settlement Proposal and the transactions contemplated thereunder, including but not limited to the allotment and issue of the conversion shares which may fall to be allotted and issued upon conversion of the JE T2 Bonds held by Johnson Electric;

- (b) the Company receives a new listing approval from the Stock Exchange granting the listing of, and permission to deal in, the conversion shares which may fall to be allotted and issued upon conversion of the JE T2 Bonds held by Johnson Electric; and
- (c) the Company's application for a review by the Listing Appeals Committee in relation to the decision of the Listing (Review) Committee to uphold the delisting decision is successful, as a result of which the Company remains listed on the main board of the Stock Exchange.

(collectively the “**Conditions**”)

- (2) Within 10 business days (other than a Saturday) after the Company notifies Johnson Electric in writing, with a copy to Johnson Electric's solicitors on record in the relevant action (i.e. HCA No. 1240 of 2012) at the time of issue, that the conditions to the JE Settlement Proposal have been satisfied, Johnson Electric shall be entitled to convert the JE T2 Bonds in respect of which Johnson Electric is the registered holder into ordinary shares of par value HK\$0.10 each (or such par value after consolidation of the ordinary shares) of the Company in accordance with the terms and conditions of the JE T2 Bonds and the instrument referred to therein notwithstanding that the conversion period of the JE T2 Bonds has already expired. Subject to adjustments in accordance with the terms and conditions of the JE T2 Bonds and the instrument referred to therein, the conversion price per share shall be HK\$0.6 per share (or such conversion price as adjusted in accordance with the terms and conditions of the JE T2 Bonds and the instrument referred to therein) and the number of conversion shares to be allotted to Johnson Electric shall be 47,916,666 shares (HK\$28,750,000/HK\$0.6 per share) (or the corresponding number of conversion shares after the conversion price is adjusted in accordance with the terms and conditions of the JE T2 Bonds and the instrument referred to therein).
- (3) Within 7 business days (other than a Saturday) after Johnson Electric has been duly registered as the holder of the relevant conversion shares and a certificate or certificates for the relevant conversion shares have been delivered in accordance with the terms and conditions of the JE T2 Bonds, whichever is later, the Company and Johnson Electric shall cause their solicitors to seek from the court a consent order in the form and to take such steps as may be necessary for the purpose of dismissing the action (i.e. HCA No. 1240 of 2012) with no order as to costs between the Company and Johnson Electric.
- (4) Notwithstanding any costs orders previously made (which shall be deemed discharged), the Company and Johnson Electric shall each bear their own costs and expenses incurred in the legal action (i.e. HCA No. 1240 of 2012), the appeal (i.e. CACV 36/2013) and related matters including all costs that have been reserved or otherwise have not been dealt with by the court.
- (5) The Company shall waive all its rights to challenge the validity of the shares so allotted to Johnson Electric, whether by reasons of the accusations raised by the Company in the action (i.e. HCA No. 1240 of 2012) or all other legal proceedings related to the JE T2 Bonds or otherwise.

- (6) Subject to the shareholders' approval and the new listing approval, the Company warrants that it has complied with all applicable laws and regulations in allotting the conversion shares which may fall to be allotted and issued upon conversion of the JE T2 Bonds to Johnson Electric.
- (7) In the event of any of the Conditions to the JE Settlement Proposal is not satisfied within 18 months from the date of Johnson Electric's acceptance of the JE Settlement Proposal, paragraphs (2)–(6) above shall cease to have any effect whatsoever and the Company and Johnson Electric shall have no obligation and liability towards each other thereunder.

The Directors are of the view that given the potential financial exposure and the litigation risks that will arise from the further pursuance of these proceedings, the settlement as summarized above is in the best interest of the Company and its shareholders as a whole.

SUSPENSION OF TRADING

As the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 4 July 2011 and will continue to be suspended until further notice.

Shareholders and potential investors are accordingly advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Bel Global Resources Holdings Limited
Li Wing Tak
Company Secretary

Hong Kong, 7 March 2018

As at the date of this announcement, (i) the executive Director is Mr. Li Wing Tak (note); (ii) non-executive Directors are Mr. Cai Dubing and Mr. Sze Irons; and (iii) the independent non-executive Directors are Dr. Chang Soo-kong and Mr. Ho Wai Chi, Paul.

Note: Mr. Li Wing Tak has appointed Mr. Wong Wan Sing as his alternate Director.