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**LOUDONG GENERAL NICE RESOURCES (CHINA) HOLDINGS LIMITED**

**樓東俊安資源(中國)控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 988)**

**(I) SUPPLEMENTAL AGREEMENT  
FOR  
THE VERY SUBSTANTIAL ACQUISITION  
AND CONNECTED TRANSACTION  
IN RESPECT OF THE ACQUISITION OF  
THE ENTIRE EQUITY INTEREST IN GENERAL NICE –  
LOUDONG COAL & COKE LIMITED;  
AND  
(II) DELAY IN DESPATCH OF CIRCULAR  
IN RELATION TO MAJOR TRANSACTION  
IN RESPECT OF THE ACQUISITION OF 30% EQUITY INTEREST IN  
SHANXI LINXIAN TAIYE COAL MINING COMPANY LIMITED**

**(I) SUPPLEMENTAL AGREEMENT**

Reference is made to the VSA Announcement in which the Board announced that on 9 November 2009, Abterra HK, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the acquisition of the Sale Shares from the Vendor at a total consideration of HK\$600,000,000 and other previous announcements of the Company dated 10 December 2009 and 30 April 2010 regarding delay in despatch of the circular.

Upon further negotiations among the parties to the Agreement, Abterra HK and the Vendor entered into the Supplemental Agreement on 25 May 2010 to amend certain terms of the Agreement.

Details of the amendments to the terms of the Agreement as set out in the Supplemental Agreement are set out below.

The Revised Acquisition constitutes a very substantial acquisition and connected transaction on the part of the Company under Chapters 14 and 14A of the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders' approval requirements by way of poll at the SGM. Approval of the Independent Shareholders by way of poll is proposed to be sought at the SGM in respect of the Agreement, the Supplemental Agreement and the transactions contemplated thereunder.

A circular containing among other things; (i) details of the Revised Acquisition; and (ii) a notice convening the SGM; in compliance with the Listing Rules will be despatched as soon as practicable to the Shareholders on or before 4 June 2010.

## **(II) DELAY IN DESPATCH OF CIRCULAR**

As additional time is required to finalise certain information to be included in the Circular, including but not limited to (a) the accountants' report of the Target Group for the year ended 31 December 2009; and (b) the unaudited pro forma financial information of the Enlarged Group for the year ended 31 December 2009, the despatch of the Circular is to be postponed to on or before 30 September 2010.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38A of the Listing Rules such that the despatch of the Circular is to be postponed to on or before 30 September 2010.

## **(I) THE SUPPLEMENTAL AGREEMENT**

Reference is made to the announcement of Loudong General Nice Resources (China) Holdings Limited (the "**Company**") dated 18 November 2009 (the "**VSA Announcement**") in which the Board announced that on 9 November 2009, Abterra HK, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the acquisition of the Sale Shares from the Vendor at a total consideration of HK\$600,000,000 and other previous announcements of the Company dated 10 December 2009 and 30 April 2010 regarding delay in despatch of the circular.

Definitions and terms used in section (I) of this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the VSA Announcement.

Upon further negotiations among the parties to the Agreement, Abterra HK and the Vendor entered into a supplemental agreement (the "**Supplemental Agreement**") on 25 May 2010 to amend certain terms of the Agreement.

## **The Supplemental Agreement**

Date: 25 May 2010

Parties: (i) Purchaser: Abterra HK, an indirect wholly-owned subsidiary of the Company;  
and  
(ii) Vendor: Hing Lou Resources Limited, a connected person of the Company

### Revised settlement manner of the Consideration

The consideration of HK\$600,000,000 for the sale and purchase of the Sale Shares shall be settled in the following manner:

- (a) HK\$290,000,000 shall be satisfied by Abterra HK in cash at Completion;
- (b) HK\$250,000,000 shall be satisfied by Abterra HK procuring the Company to issue the Convertible Bonds to the Vendor at Completion; and
- (c) HK\$60,000,000 shall be satisfied by Abterra HK procuring the Company to issue the Promissory Note (as defined below) to the Vendor at Completion.

Other than the settlement manner mentioned above, the terms of the Consideration remain unchanged.

The revised settlement manner of the Consideration was arrived at after arm's length negotiations between Abterra HK and the Vendor. In view of the revised settlement manner of the Consideration which reduce the immediate cash payment by the Company upon Completion, the Directors (excluding the independent non-executive Directors who would give their views on the terms of the Acquisition pursuant to the Agreement and the Supplemental Agreement (the "**Revised Acquisition**") after having been advised by the independent financial advisors of the Company) consider the revision to be fair and reasonable and that the Supplemental Agreement is on normal commercial terms and its terms are fair and reasonable and the entering into of the Supplemental Agreement is in the interests of the Group and the Shareholders as a whole.

### Revised condition precedent and Long Stop Date

The condition precedent (a) as set out in the VSA Announcement have been amended as follows:

- (a) the passing by the Independent Shareholders at the SGM of the resolutions approving the Agreement, the Supplemental Agreement and the transactions contemplated by the Agreement, the Supplemental Agreement, in particular, the issue of the Convertible Bonds and the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds and the issue of the Promissory Note.

Other than the above condition (a), the conditions precedent remain unchanged.

The Long Stop Date as set out in the VSA Announcement have been amended that each of the Vendor and Abterra HK shall use its best endeavours to procure the fulfillment of the conditions precedent set out in the Agreement (as amended by the Supplemental Agreement) on or before 31 August 2010 (or such later date as the Purchaser and the Vendor may agree in writing).

### **THE PROMISSORY NOTE**

The Company shall issue a promissory note in a principal amount of HK\$60,000,000 (the “**Promissory Note**”) in favour of the Vendor as part of the Consideration at Completion. The Promissory Note bears no interest and repayable in one lump sum on maturity of three years. The Company has the right to redeem the Promissory Note prior to its maturity in integral multiples of HK\$1,000,000. The Promissory Note may, with prior written notice given by the Vendor to the Company, be freely transferable and assignable to any Independent Third Parties in whole or in integral multiples of HK\$1,000,000 and in whole only if the outstanding principal sum of the Promissory Note is less than HK\$1,000,000.

### **LISTING RULES IMPLICATION**

The Revised Acquisition constitutes a very substantial acquisition and connected transaction on the part of the Company under Chapters 14 and 14A of the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders’ approval requirements by way of poll at the SGM. Approval of the Independent Shareholders by way of poll is proposed to be sought at the SGM in respect of the Agreement, the Supplemental Agreement and the transactions contemplated thereunder.

A circular containing among other things; (i) details of the Revised Acquisition; and (ii) a notice convening the SGM; in compliance with the Listing Rules, will be despatched as soon as practicable to the Shareholders on or before 4 June 2010.

### **(II) DELAY IN DESPATCH OF CIRCULAR**

Reference is made to the announcement (the “**Taiye Announcement**”) of the Company dated 4 May 2010 in relation to the major transaction in respect of the acquisition of the 30% equity interest in the Target (“**Taiye Acquisition**). Definitions and terms used in section (II) of this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Taiye Announcement.

Pursuant to Rule 14.38A of the Listing Rules, the Company is required to despatch the circular (the “**Circular**”) containing, among other things, details of the proposed Taiye Acquisition and a notice of SGM to the Shareholders within 21 days after publication of the Taiye Announcement, which shall be on or before 25 May 2010. As additional time is required to finalise certain information to be included in the Circular, including but not limited to (a) the accountants’ report of the Target Group for the year ended 31 December 2009; and (c) the unaudited pro forma financial information of the Enlarged Group for the year ended 31 December 2009, the Company expects that the despatch of the Circular will be postponed to on or before 30 September 2010.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38A of the Listing Rules such that the despatch of the Circular is to be postponed to on or before 30 September 2010.

By order of the Board  
**Loudong General Nice Resources (China) Holdings Limited**  
**Lau Yu**  
*Executive Director*

Hong Kong, 26 May 2010

*As at the date of this announcement, the Board consists of five executive Directors, namely Mr. Cai Sui Xin, Mr. Zhao Cheng Shu, Mr. Lau Yu, Mr. Ng Tze For and Miss Li Xiao Juan, and three independent non-executive Directors, namely Mr. Cheung Siu Chung, Mr. Li Xiao Long and Ms. Choy So Yuk.*