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International Standard Resources Holdings Limited

標準資源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 91)

(Warrant Code: 1487)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

DISPOSAL OF PROPERTY

The Board is pleased to announce that on 13 July 2017, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Property at the Consideration of RMB17,000,000 (equivalent to approximately HK\$19,540,000).

LISTING RULES IMPLICATIONS

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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The principal terms of the Sale and Purchase Agreement are set out below:

THE SALE AND PURCHASE AGREEMENT

- Date : 13 July 2017
- Vendor : Jun Da Zhao Yang (Beijing) Investment Management & Consulting Company Limited* (駿達朝揚(北京)投資管理諮詢有限公司), a wholly-owned subsidiary of the Company
- Purchaser : the Purchaser, an individual who, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, is a third party independent of and not connected with the Group and its connected persons (as defined in the Listing Rules).
- Property : Unit 1908, Level 17, Block 5-2, No. 5 Chongwenmen Outer Street, Dongcheng District, Beijing, PRC* (中國北京市東城區崇文門外大街5號5-2幢17層1908室)
- Consideration : the Consideration for the disposal of the Property is RMB 17,000,000 (equivalent to approximately HK\$19,540,000), which shall be paid by the Purchaser to the Vendor in the following manner:
- (a) deposit of RMB100,000 (equivalent to approximately HK\$115,000) shall be paid on 13 July 2017;
 - (b) deposit of RMB400,000 (equivalent to approximately HK\$460,000) shall be paid on or before 31 July 2017;
 - (c) deposit of RMB1,300,000 (equivalent to approximately HK\$1,494,000) shall be paid on or before 4 August 2017 and after the inspection of the Property; and
 - (d) the remaining balance of the Consideration shall be paid on or before 10 February 2018.

If the Purchaser fails to fulfil the contractual obligations on or before 10 February 2018, the Purchaser does not have the rights to demand a refund in respect of the deposits; if the Vendor fails to fulfil the contractual obligations on or before 10 February 2018, the Vendor shall refund to the Purchaser an amount that is twice the amount of the deposits.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to the market price of the Property.

The Directors believe that the Consideration is fair and reasonable and in the interests of the Company and the shareholders as a whole.

Completion : Completion will take place on or before 10 February 2018. There is no condition imposed on the Disposal.

INFORMATION OF THE PROPERTY

The Property is located at Unit 1908, Level 17, Block 5-2, No. 5 Chongwenmen Outer Street, Dongcheng District, Beijing, PRC* (中國北京市東城區崇文門外大街5號5-2幢17層1908室) with the gross floor area of approximately 273.71 square meters. The Property is used by the Group as office and is free from all encumbrances.

INFORMATION ON THE PURCHASER

The Purchaser is an individual. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Purchaser and its associates is a third party independent of and not connected with the Group and its connected persons (as defined in the Listing Rules).

INFORMATION OF THE COMPANY, THE GROUP AND THE VENDOR

The Company is an investment holding company. The Group is principally engaged in coalbed methane gas exploration and exploitation in the PRC, sale of electronic components and treasury which includes securities trading and money lending. The Vendor is a wholly-owned subsidiary of the Company and its principal activity is property investment.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors are of the view that it is a good opportunity for the Group to dispose of the Property to enhance the cashflow position and increase the working capital of the Group and believe that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

POSSIBLE FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

The carrying amount of the Property as at 31 December 2016, as shown in the audited financial statements of the Vendor for the year ended 31 December 2016, was approximately RMB3,724,000 (equivalent to approximately HK\$4,280,000).

The Group is expected to record an unaudited estimated gain of approximately RMB9,156,000 (equivalent to approximately HK\$10,524,000), which represents the difference between the Consideration (after deducting relevant estimated taxes, including the land appreciation taxes and property taxes which are subject to finalisation with local tax authority, and expenses incurred of approximately RMB4,120,000 (equivalent to approximately HK\$4,736,000) for the Disposal) and the carrying amount of the Property as at 31 December 2016.

The net proceeds from the Disposal of approximately RMB12,880,000 (equivalent to approximately HK\$14,805,000) are intended to be used by the Group for general working capital and finance other future potential investment opportunities of the Group.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	International Standard Resources Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	RMB17,000,000 (equivalent to approximately HK\$19,540,000), being the total consideration payable by the Purchaser to the Vendor in respect of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	The People’s Republic of China
“Property”	the property located at Unit 1908, Level 17, Block 5-2, No. 5 Chongwenmen Outer Street, Dongcheng District, Beijing, PRC* (中國北京市東城區崇文門外大街5號5-2幢17層1908室) with the gross floor area of approximately 273.71 square meters
“Purchaser”	An individual who, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, is a third party independent of and not connected with the Group and its connected persons (as defined in the Listing Rules).
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 July 2017 entered into between the Purchaser and the Vendor in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Jun Da Zhao Yang (Beijing) Investment Management & Consulting Company Limited* (駿達朝揚 (北京) 投資管理諮詢有限公司), a company incorporated in PRC with limited liability, which is a wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board
International Standard Resources Holdings Limited
Tam Tak Wah
Executive Director

Hong Kong, 13 July 2017

For the purpose of this announcement, unless otherwise indicated, conversions of RMB into HK\$ is calculated at the approximate exchange rate of RMB0.87 to HK\$1.00. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Wai Keung, Mr. Tam Tak Wah and Ms. Tsang Ching Man and the independent non-executive directors of the Company are Mr. Chan Tsz Kit, Mr. Chan Yim Por Bonnie, Mr. Albert Saychuan Cheok (Chairman) and Mr. Wang Li.

* for identification purpose only