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**BEL**Global  
Resources

## **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 IN RESPECT OF HCCL 8 OF 2014 (FORMERLY HCA 1903 of 2012)**

This announcement is made by Bel Global Resources Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

References are made to (i) the circular of 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 18 October 2012, 31 July 2013, 23 October 2013, 30 March 2015, 26 May 2015, 19 April 2016, 17 October 2016, 15 May 2017 and 8 June 2017, in relation to, among other things, the claims against the Company by Elite Dragon Limited (“**Elite Dragon**”) and the Company’s defence and counterclaim against Elite Dragon in HCCL 8 of 2014 (formerly HCA 1903 of 2012) (the “**Action**”) (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.

As disclosed in the announcement dated 15 May 2017 of the Company, on 25 April 2017, the Court of First Instance of the High Court of the Hong Kong Special Administrative Region handed down a judgment (the “**Judgment**”) in respect of the Action in favor of the Company.

As disclosed in the announcement dated 8 June 2017 of the Company, on 23 May 2017, Elite Dragon and Sy Lai Yin Sunny (“**Sunny Sy**”) issued a Notice of Appeal against the Judgment. On 8 June 2017, the Company issued a Respondent’s Notice of Appeal against the Judgment and subsequently an Amended Respondent’s Notice of Appeal on 22 August 2017 (collectively, the “**Appeal Proceedings**”).

The Company has investigated the merits of the Appeal Proceedings, the realistic possibility of enforcement of the Judgment, as well as the further legal costs that will have to be incurred to pursue the Appeal Proceedings and enforcement proceedings. The Company has been advised that it stands a more than even chance of succeeding in the Appeal Proceedings, and on the other hand Elite Dragon and Sunny Sy have informed the Company of their belief upon legal advice that they have reasonable prospects in the Appeal Proceedings based on potential new evidence and that the trial judge erred in her finding of facts and the application of the law in the Judgment. In order to avoid litigation risks, and to focus on the future development of the business, the Company has entered into a deed of settlement with Elite Dragon, Sunny Sy and Sy Chin Mong Stephen to fully and finally settle the long running disputes (the “**Disputes**”) arising out of the issuance of the Convertible Bonds, and all claims and disputes arising out of and in connection with the Action, the Judgment and the Appeal Proceedings. The main terms of the deed of settlement are as follows:

1. The Company has agreed to the conversion by Elite Dragon of all Tranche 1 Bonds that are registered in Elite Dragon’s name into conversion shares in accordance with the terms and conditions of the bonds and the Settlement Agreement at the conversion price of HK\$0.60 per share (which is subject to adjustment of conversion price in accordance with the terms and conditions of and the terms of the instrument constituting the Tranche 1 Bonds).
2. In relation to any Tranche 1 Bonds which Elite Dragon wishes to exercise its rights to convert pursuant to the terms of this Deed, Elite Dragon shall procure that notice(s) of conversion together with all original bond certificates of the Tranche 1 Bonds to be converted shall be presented to the Company. For the avoidance of doubt, in relation to original bond certificates and/or notice(s) of conversion which are already in the possession, power or custody of the Company, Elite Dragon shall be deemed to have already presented such documents to the Company. In relation to original bond certificates and/or notice(s) of conversion which the Company has parted with, Elite Dragon shall be deemed to have presented such documents to the Company on the same day that these original bond certificates and notice(s) of conversion come into the actual possession of the Company at any time after the signing of the deed of settlement.
3. In relation to original bond certificates of any Tranche 1 Bonds which are not readily in the possession of Elite Dragon at the time of the signing of the deed of settlement, the Company and Elite Dragon agree that Elite Dragon may present such original certificates to the Company for conversion as and when the original bond certificates come to the possession of Elite Dragon after the date of this Agreement but before the Deadline (as defined below).

4. The deadline for presentation for conversion of the Tranche 1 Bonds shall be not later than nine (9) months after the date of the deed of settlement (the “**Deadline**”). Any Tranche 1 Bonds which have not been presented to the Company for conversion by the Deadline shall be deemed null and void and Elite Dragon shall waive any and all interest and rights in such Tranche 1 Bonds not having been presented and shall not demand repayment or conversion of such bonds.
5. The Company shall allot and issue the relevant number of the conversion shares in the Company and register Elite Dragon as holder of such conversion shares in the Company’s register of holders of Shares, within fifteen (15) working days from the date of presentation of the original bond certificates and notice(s) of conversion. The Company shall not be obliged to permit the conversion of any bonds into shares unless the original bond certificate and notice of conversion is presented to it.
6. In the event the Company fails to obtain approval for the resumption of trading on the Stock Exchange, Elite Dragon agrees that upon the delisting of the Company from the Stock Exchange all outstanding Tranche 1 Bonds that remain registered in Elite Dragon’s name shall be deemed null and void as of the date of the delisting Elite Dragon shall waive any and all right to enforce the Tranche 1 Bonds as creditor.
7. Within seven (7) days from the date of the deed of settlement, the Company, Elite Dragon and Sunny Sy shall instruct their respective solicitors to withdraw the Appeal Proceedings and discontinue Action in its entirety, both with no order as to costs, by way of consent summonses, with undertakings in the consent summonses from each of the Company, Elite Dragon and Sunny Sy agreeing that the enforcement of the Judgment be permanently stayed and that each of the Company, Elite Dragon and Sunny Sy undertakes not to enforce the Judgment and any previous costs order shall be discharged.
8. The deed of settlement shall be effective as a full and final settlement of all claims and disputes arising out of or in connection with the Disputes, the Action, the Judgment and the Appeal Proceedings.
9. The Company shall have fulfilled all its conversion obligations immediately upon the registration of the conversion shares in its register of holders of shares in accordance with paragraph 5 above, and Elite Dragon shall have no right of recourse against the Company in the event The Stock Exchange of Hong Kong Limited or any other relevant regulator disapproves the conversion.
10. The parties to the deed of settlement agree that they undertake to each other not to enforce the Judgment against another and for such purpose agree that the Judgment be permanently stayed. For the avoidance of doubt, the parties to the deed of settlement further agree not to enforce any previous costs order in the Action, the Appeal Proceedings and the Judgment against each other.
11. For the avoidance of doubt, the Company acknowledges that at all times, the Tranche 1 Bonds were and still remain validly and legally issued to Elite Dragon, and notwithstanding the Judgment, free from any rights of set-off by the Company.

As advised by legal advisers and counsel to the Company for the Action and the Appeal Proceedings, the legal effect of the Judgment is that the Tranche 2 Bonds issued to Elite Dragon have been rescinded by the letter of 20 June 2012 from the legal advisers to the Company to Elite Dragon.

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**

At 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, 29 November 2017

*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.