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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)

UPDATE ON TRADING OF MINERAL RESOURCES BUSINESS OF THE GROUP

Reference is made to the circular (the "**Circular**") dated 21 December 2007 of Bel Global Resources Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") in relation to, among others, the acquisition of Honour Max Trading Limited (the "**Acquisition**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings ascribed to them in the Circular.

As disclosed in the Circular, the HK Target Subsidiary as buyer entered into the Master Supply Agreement with the Indonesia Mining Company as supplier pursuant to which the Indonesia Mining Company had agreed to supply exclusively to the HK Target Subsidiary with nickel ore derived from the Mine for a term of up to 15 years. If during the term of the Master Supply Agreement, the Indonesia Mining Company sold any nickel ore to any third party, the HK Target Subsidiary would have a legal right to, among others, seek compensation from the Indonesia Mining Company for loss of profits and/or damages.

On 9 June 2009, the HK Target Subsidiary entered into a nickel ore sales contract with the Indonesia Mining Company pursuant to which the HK Target Subsidiary remitted a deposit in the sum of HK$22,615,000 (equivalent to US$2,900,000) to the bank account of a Singaporean company designated by the Indonesia Mining Company. However, the Indonesia Mining Company did not deliver the ordered nickel ore to the HK Target Subsidiary pursuant to the terms of the nickel ore sales contract. Despite repeated requests and demands, the Indonesia Mining Company had not delivered the ordered nickel ore or refunded the deposit to the HK Target Subsidiary. In around June 2013, the HK Target Subsidiary commenced arbitration proceedings against the Indonesia Mining Company before the China International Economic and Trade Arbitration Commission.

In October 2013, an employee of the Group obtained certain shipping records which showed that there were shipments of nickel ores to third parties by a company name "PT. Anugrah Nusantara International" ("**PT. Anugrah**") from the port of Bunta, which was suspected by

that employee to be the Indonesia Mining Company. The shipping records were sent to, amongst others, a then executive Director who was also the chief executive officer of the Company (the "**Former Director and CEO**") and Mr. Li Wing Tak ("**Mr. Li**"), an executive Director. If the shipments were made by the Indonesia Mining Company, it would constitute a breach of the exclusive supply term under the Master Supply Agreement. Since the name "PT. Anugrah Nusantara International" was different from the name of the Indonesia Mining Company (i.e. PT. Aneka Nusantara Internasional), Mr. Li, who was responsible for the Company secretarial work and the overall accounting and finance activities but not for the sales and marketing of the company took the initiative instructed that employee to investigate further into that matter. That employee consulted a lawyer in Indonesia who informed him that it was not possible to find out whether PT. Anugrah was in fact the Indonesia Mining Company or related to the Indonesia Mining Company nor the truthfulness and accuracy of information contained in the said shipping records. Without sufficient evidence, it was not possible to confirm if the Indonesia Mining Company had shipped nickel ore to any third party at the material times and there was no basis for the Company to take any action to seek compensation from the Indonesia Mining Company for supplying nickel ore to third parties.

Although the loading port of the relevant shipments of nickel ores was shown as Bunta, it did not necessarily mean that the nickel ore was extracted from the Mine. It is therefore not possible to ascertain whether the nickel ores were derived from the Mine which belongs to the Indonesia Mining Company based on the only available shipping records with PT. Anugrah as shipper. The Former Director and CEO had not given any directions on this matter. As advised by Mr. Li, he did not take further action to investigate into this matter since he could not come up with a good proposal as to how this matter should be investigated further in light of the financial constraint of the Group and the advice of the Indonesian lawyer and he considered that the Group should focus on resolving the dispute over the deposit as disclosed above with the Indonesia Mining Company at that moment before spending effort and finance resources on investigating into the matter which might not have results especially when a lawyer in Indonesia had already advised that it was not possible to find out whether PT. Anugrah was in fact the Indonesia Mining Company or related to the Indonesia Mining Company.

On 29 September 2014, the arbitration tribunal granted an award (the "**Arbitration Award**") in favour of the HK Target Subsidiary pursuant to which the Indonesia Mining Company shall, among others, return the deposit in the amount of HK$22,615,000. Since the Indonesia Mining Company is an Indonesian company with no assets in Hong Kong or the People's Republic of China, the Arbitration Award would need to be enforced in Indonesia against the Indonesia Mining Company. The Company had initially decided to seek enforcement of the Arbitration Award against the Indonesia Mining Company in Indonesia.

Trading in the Company's shares has been suspended since July 2011 and as such, it is not feasible for the Company to raise funds by issuing equity securities. Given the financial constraint of the Company, the Company needs to allocate its financial resources carefully to maintain its daily operation. Out-of-court settlement will save the Company's financial resources.

Despite the Company's initial intention to enforce the Arbitration Award in Indonesia, in consideration of the financial constraint of the Company and the enforcement of the Arbitration Award in Indonesia being a lengthy and costly process, the Company commenced negotiations with Mr. David Supardi ("**Mr. Supardi**"), who is believed to currently hold 80% of the shares in the Indonesia Mining Company, for settlement of the dispute which involves a proposal for the acquisition of the entire equity interest in the Indonesia Mining Company if the acquisition is legally feasible in Indonesia. The Company understands that the restriction on foreign ownership of mining companies in Indonesia has been relaxed after completion of the Acquisition. It is the intention of the Company that no monetary consideration would be paid by the Group to the shareholders of the Indonesia Mining Company for the acquisition of the entire equity interest in the Indonesia Mining Company.

During the negotiations with Mr. Supardi for settlement, copies of certain bills of lading and inspection reports in relation to shipment of nickel ore to third parties were provided by the Indonesia Mining Company for the Company's reference as to the mining capability of the Indonesia Mining Company. The supply of nickel ore to third parties by the Indonesia Mining Company was a breach of the exclusivity supply term under the Master Supply Agreement. Although the bills of lading were evidence that the Indonesia Minning Company had breached the Master Supply Agreement by supplying nickel ore to third parties, in light of the negotiations for the potential acquisition of the Indonesia Mining Company and the benefits of such potential acquisition to the Group as well as the financial constraint of the Group, the Company decided to temporarily refrain from taking further legal action against the Indonesia Mining Company at the moment for such breach and continue the negotiations with Mr. Supardi.

The Company was informed by an employee who is responsible for the trading of nickel ore in Indonesia and assisting in the negotiations with Mr. Supardi that the Mine of the Indonesia Mining Company had been closed down since early 2014. The Company was also informed by that employee and a former executive director who was responsible for the negotiations with Mr. Supardi that the Indonesia Mining Company had no assets or cash and the only valuable asset of the Indonesia Mining Company was the Nickel Mining Licence(s). The Company also understands that the Indonesia Mining Company is unable to repay the debt owed to the Company and cannot afford the resumption cost of the Mine. Therefore the Company believes that even if the Company is successful in enforcing the Arbitration Award or claiming against the Indonesia Mining Company for the unauthorised shipments, the Indonesia Mining Company will not have sufficient financial resources to settle the Arbitration Award or the judgment debt. If the Indonesia Mining Company were wound up, the government would revoke the Nickel Mining Licence(s). It is likely that the Company would not be able to receive any compensation or financial benefits if the Indonesia Mining Company were wound up. Moreover, if the court in Indonesia rules in favour of the Indonesia Mining Company and revokes the Arbitration Award, the time and costs incurred by the Company will be wasted.

On the other hand, Mr. Supardi is willing to procure the transfer of 100% equity in the Indonesia Mining Company to the Company at nil consideration on and subject to other requested terms and conditions for co-operation afterward. The Company has specifically informed Mr. Supardi that the Company will not take up the Indonesia Mining Company's liabilities upon completion of the transfer and will require guarantees from the Indonesia

Mining Company's shareholders to assume Indonesia Mining Company's existing liabilities. It is contemplated by the Company that after completion of the acquisition of the Indonesia Mining Company, Mr. Supardi will cooperate with the Group to seek for investors to invest into the Indonesia Mining Company (with all the existing liabilities of the Indonesia Mining Company being assumed by Mr. Supardi and the other shareholder(s)) and re-activate the mining operation. The ideal solution for the Company was to take over the legal title of the Mine and then invite state-owned enterprises from China to invest in smelters for the Mine. In such case, no capital would be required from the Company to acquire the entire equity interest in the Indonesia Mining Company. The Group would only be required to bear and pay for all the responsibilities and liabilities of the Mine (other than the existing liabilities which shall be assumed by Mr. Supardi and the other shareholder(s) if the Company's request is accepted) as the owner of the Nickel Mining Licence(s) after the transfer of the equity interest in the Indonesia Mining Company is completed. Once the Mine is taken over and resumes operation, the Group could obtain trade finance to support the operation of the Mine. Based on the technical report on the Mine as attached to the Circular, IMC Mining Solutions Pty Ltd reported that a potential resource of 44 million wet metric tonnes @1.74% nickel had been identified within the mining lease area. The Mine would form a tangible asset of the Group after the acquisition of the Indonesia Mining Company. Therefore, the Company considers that the Mine has potential to generate positive returns to the Group in the long run.

In view of the above and the benefits of the potential acquisition of the Indonesia Mining Company to the Group, the Company has decided to temporarily refrain from taking further legal action against the Indonesia Mining Company at the moment and continue the negotiations with Mr. Supardi. As at the date hereof, the negotiations with Mr. Supardi are still continuing.

Despite the potential benefits of the potential acquisition, the outcome of the negotiations with Mr. Supardi is still uncertain as at the date of this announcement. As part of the Company's restructuring plan to fulfill the resumption conditions, the Company is considering an arrangement under which the Company may part with its interest in the subsidiaries engaging in the trading of mineral resources business including the HK Target Subsidiary for the settlement of the outstanding liabilities of the Company.

The Company will make further announcement(s) as and when necessary in compliance with the Listing Rules.

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

Hong Kong, 26 February 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.