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## **GREEN GLOBAL RESOURCES LIMITED**

**綠色環球資源有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 61)**

### **DISCLOSEABLE TRANSACTION IN RESPECT OF THE ACQUISITION OF APPROXIMATELY 9.999% EQUITY INTERESTS IN GOLDEN POGADA LLC BY WAY OF ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

#### **THE ACQUISITION**

Subsequent to the entering into of the memorandum of understanding between North Asia (a wholly-owned subsidiary of the Company) and China Railway Mongolia dated 18 January 2010, the Board is pleased to announce that after trading hours on 19 February 2010, North Asia and China Railway Mongolia entered into the Acquisition Agreement pursuant to which North Asia has conditionally agreed to acquire and China Railway Mongolia has conditionally agreed to sell the Sale Shares at a consideration of approximately HK\$192.6 million. The Sale Shares represent approximately 9.999% of the existing issued share capital of Golden Pogada. The consideration for the Sale Shares will be satisfied by the allotment and issue of 50,690,000 Consideration Shares at HK\$3.80 each at Completion.

Golden Pogada became a non-wholly owned subsidiary of the Company on 16 December 2009 upon completion of the 2009 Acquisition and its principal asset is the mining rights licence in respect of an iron ore mine located in Dundgobi aimag (province) and is approximately 270 kilometers southwest of Ulaanbaatar, the capital city of Mongolia, and 75 kilometers west of Mandalgobi, having an area of approximately 1,201 hectares.

Upon Completion, Golden Pogada will become an approximately 99.990%-owned subsidiary of the Company and its results will continue to be consolidated into the Group.

\* For identification purposes only

## **LISTING RULES IMPLICATIONS**

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules on the basis that (i) the Group has complied with the Listing Rules in respect of the requirements for a very substantial acquisition in the 2009 Acquisition; and (ii) the Acquisition, when aggregated with the 2009 Acquisition, would not result in a higher transaction classification under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 18 January 2010 regarding the memorandum of understanding dated 18 January 2010 entered into between North Asia and China Railway Mongolia in respect of the proposed acquisition by North Asia of approximately 9.999% equity interests in Golden Pogada, a non-wholly owned subsidiary of the Company, from China Railway Mongolia.

## **THE ACQUISITION**

The Board is pleased to announce that after trading hours on 19 February 2010, North Asia, a wholly-owned subsidiary of the Company, and China Railway Mongolia entered into the Acquisition Agreement pursuant to which North Asia has conditionally agreed to acquire and China Railway Mongolia has conditionally agreed to sell the Sale Shares. The Sale Shares represent approximately 9.999% of the existing issued share capital of Golden Pogada. As at the date of the Acquisition Agreement, Golden Pogada is a non-wholly owned subsidiary of North Asia which is interested in approximately 89.991% equity interests in Golden Pogada.

### **The Acquisition Agreement**

Date : 19 February 2010

Purchaser : North Asia Resources Group Limited

Vendor : China Railway Mongolia Investment LLC

China Railway Mongolia is a company incorporated in Mongolia and is principally engaged in natural resources and railway development, investments and infrastructure construction in Mongolia. As advised by the Vendor, the parent company of China Railway Mongolia is China Railway Resources Group Co., Ltd, which is ultimately beneficially owned by China Railway Engineering Corporation (中國鐵路工程總公司), a state-owned enterprise. As disclosed in the announcement of the Company dated 13 November 2009, certain cooperation agreements, namely an offtake agreement, a transportation agreement and the Choir Docking Agreement, were entered into between China Railway Mongolia and Golden Pogada. Save for the aforesaid, to the best of the Directors' knowledge, information and belief, each of China Railway Mongolia and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

### **Assets to be acquired**

The Sale Shares to be conditionally acquired by North Asia represent approximately 9.999% of the existing issued share capital of Golden Pogada and the entire equity interest held by China Railway Mongolia in Golden Pogada.

## **Consideration of the Acquisition**

The consideration for the Sale Shares of approximately HK\$192.6 million shall be satisfied by the allotment and issue of 50,690,000 Consideration Shares, credited as fully paid, by the Company to China Railway Mongolia at an issue price of HK\$3.80 per Consideration Share at Completion, or other forms of payment as the parties to the Acquisition Agreement may agree.

The consideration for the Sale Shares was agreed between the Company, North Asia and China Railway Mongolia after arm's length negotiations and was principally determined with reference to the previous consideration of HK\$1,760.22 million for the acquisition of an effective beneficial interest of 90% equity interests in Golden Pogada by the Company under the 2009 Acquisition. The issue price of HK\$3.80 per Consideration Share represents:

- (i) a premium of approximately 118.39% over the closing price of the Shares of HK\$1.74 per Share as quoted on the Stock Exchange on 19 February 2010;
- (ii) a premium of approximately 122.22% over the average of the closing prices of the Shares of approximately HK\$1.71 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 19 February 2010; and
- (iii) a premium of approximately 105.41% over the average of the closing prices of the Shares of approximately HK\$1.85 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 19 February 2010.

The Consideration Shares, being 50,690,000 new Shares, represent approximately 8.99% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.25% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The issue price of the Consideration Shares was negotiated on an arm's length basis between the Company, North Asia and China Railway Mongolia after taking into consideration the growth potential of the Group including the positive impact as brought upon by the 2009 Acquisition and the recently announced proposed acquisition of two alluvial gold mines in Mongolia. Based on the aforesaid and given the issue price is at a premium over the market price of the Shares, the Directors consider that the consideration of approximately HK\$192.6 million for the Acquisition and the issue price of HK\$3.80 per Consideration Share are fair and reasonable.

## **Non-disposal undertakings by China Railway Mongolia**

Pursuant to the Acquisition Agreement:

- (a) China Railway Mongolia has irrecoverably undertaken to North Asia and the Company that it shall not dispose of or enter into any agreement to lend, dispose of, contract to sell, grant any right to purchase, or other forms to arrange any Consideration Shares, or pledge any Consideration Shares, or enter into any transaction (including derivative transactions) similar to the disposal of any Consideration Shares or enter into any swap or similar arrangement that therefore, in whole or in part, in cash or otherwise or announce to public any intention to lend, dispose of, contract to sell, grant any

right to purchase, or other forms to arrange any Consideration Shares, or pledge any Consideration Shares, or enter into (or sign) any transaction described above or deposit any Consideration Shares under any depository facilities during the period commencing from the date of Completion to the date falling on the seventh day upon completion of the construction, inspection by North Asia in form of written confirmation, and commencement of use of the transit and loading dock (the “Dock”) and the restricted rail extension line (the “Extension Rail”) linking the Dock to the main rail line of the train station in Choir, Govisumber aimag in Mongolia to be built in accordance with the Choir Docking Agreement dated 13 November 2009 entered into between Golden Pogada and China Railway Mongolia (the “Relevant Events”);

- (b) China Railway Mongolia has irrecoverably undertaken to North Asia and the Company that it shall not dispose of or enter into any agreement to lend, dispose of, contract to sell, grant any right to purchase, or other forms to arrange more than 50% of the Consideration Shares, or pledge more than 50% of the Consideration Shares, or enter into any transaction (including derivative transactions) similar to the disposal of more than 50% of the Consideration Shares or enter into any swap or similar arrangement that therefore, in whole or in part, in cash or otherwise or announce to public any intention to lend, dispose of, contract to sell, grant any right to purchase, or other forms to arrange more than 50% of the Consideration Shares, or pledge more than 50% of the Consideration Shares, or enter into (or sign) any transaction described above or deposit more than 50% of the Consideration Shares under any depository facilities during the period commencing from the date after the seventh day upon the Relevant Events have taken place to the earlier of (1) Golden Pogada has used the Dock and the Extension Rail for sale and transport and China Railway Mongolia has procured the offtake of not less than one million tonnes of the iron ore productions of Golden Pogada; or (2) it has been 12 months from the date of Completion (the “Relevant Period”). For the avoidance of doubt, subject to the Relevant Events have taken place, during the Relevant Period, China Railway Mongolia is only allowed to transfer or by way of other forms of arrangements (including the disposal of or the entering into of any agreement to dispose of) to deal in not more than 50% of the Consideration Shares; and
- (c) If any of the Relevant Events has not taken place, China Railway Mongolia is not allowed to dispose of (or enter into any agreement to dispose of) any of the Consideration Shares at any time during the period before or after 12 months from the date of Completion under the provision as set out in (a) above. For the avoidance of doubt, if the Relevant Events have taken place, China Railway Mongolia shall only dispose of (or enter into any agreement to dispose of) the remaining 50% of the Consideration Shares after (1) Golden Pogada has used the Dock and the Extension Rail for sale and transport and China Railway Mongolia has procured the offtake of not less than one million tonnes of the iron ore productions of Golden Pogada; or (2) 12 months from the date of Completion, whichever is earlier.

### **Conditions precedent of the Acquisition**

Completion of the Acquisition shall be conditional upon:

- (i) each of China Railway Mongolia, North Asia and Golden Pogada having obtained all relevant and necessary confirmations and approvals in respect of the Acquisition;

- (ii) there being not any matters which would cause or might cause serious breaches to the warranties or the circumstances, facts or situations of China Railway Mongolia as contained in the Acquisition Agreement;
- (iii) if required, the passing of ordinary resolution(s) by the Shareholders at a special general meeting of the Company to approve the Acquisition Agreement and the transactions contemplated thereunder;
- (iv) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;
- (v) the obtaining of the PRC and Mongolian legal opinions (in the form and substance satisfactory to North Asia) from a firm of PRC legal advisers and a firm of Mongolian legal advisers respectively appointed by North Asia in relation to the Acquisition Agreement, including, but not limited to, the legality and effectiveness of the Acquisition Agreement and the transactions contemplated thereunder and such other matters as may be reasonably required in relation to Golden Pogada; and
- (vi) North Asia having completed and being satisfied with the results of its due diligence review to be conducted under the Acquisition Agreement.

North Asia may waive any of the conditions numbered (ii), (v) and (vi) set out above by way of written notice. All other conditions are incapable of being waived. If the conditions above have not been satisfied or waived (as the case may be) on or before 31 March 2010, or such other date as the parties to the Acquisition Agreement may agree, the Acquisition Agreement shall cease to have any effect and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

### **Completion**

Completion shall take place within three Business Days after the fulfillment (or waiver, as the case may be) of all the above conditions precedent or at such other time as the parties to the Acquisition Agreement may agree in writing.

Upon Completion, Golden Pogada will become an approximately 99.990%-owned subsidiary of the Company and its results will continue to be consolidated into the Group.

### **Application for listing**

The Consideration Shares will be allotted and issued under a general mandate granted to the Directors to allot and deal with up to 50,696,905 Shares (the “General Mandate”), being 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the annual general meeting of the Company held on 27 May 2009. As at the date of this announcement, the Company has not utilised any part of the General Mandate.

The Consideration Shares shall rank equally among themselves and *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares.

Application for the listing of and permission to deal in the Consideration Shares will be made by the Company to the Listing Committee of the Stock Exchange.

## INFORMATION ON GOLDEN POGADA

Golden Pogada is an indirect non-wholly owned subsidiary of the Company and was incorporated in Mongolia with limited liability on 18 January 2007 and is principally engaged in geological survey, exploration, development of coal and other mineral deposits (mining operation) and trade. As at the date of this announcement, Golden Pogada was owned as to approximately 89.991% by North Asia, approximately 9.999% by China Railway Mongolia and approximately 0.010% by the Mongolian National.

Set out below is the summary of key financial information of Golden Pogada for the two years ended 31 December 2009:

	<b>For the year ended 31 December</b>	
	<b>2008</b>	<b>2009</b>
	<i>US\$</i>	<i>US\$</i> <i>(unaudited)</i>
Revenue	Nil	Nil
Loss before and after taxation	(246)	(385,222)

Golden Pogada became an indirect non-wholly owned subsidiary of the Company on 16 December 2009 upon completion of the 2009 Acquisition. For the two years ended 31 December 2009, Golden Pogada has not generated any revenue and its business operation has yet to reach a commercial scale. The principal asset of Golden Pogada is the mining rights licence in respect of an iron ore mine located in Dundgobi aimag (province) which is approximately 270 kilometers southwest of Ulaanbaatar, the capital city of Mongolia, and 75 kilometers west of Mandalgobi, having an area of approximately 1,201 hectares. According to the circular of the Company dated 23 October 2009 in respect of the 2009 Acquisition, the fair value of 100 hectares of the mining area of the subject mine as of 31 August 2009, as appraised by an independent valuer, amounted to HK\$2,272,000,000. At present, Golden Pogada is conducting surveying and preliminary work for the construction of the choir docking station as stipulated under the Choir Docking Agreement. As at 31 December 2009, the unaudited net liabilities of Golden Pogada, which has not taken into account of the fair value of the mining area of HK\$2,272,000,000, amounted to approximately US\$285,222.

## REASONS FOR THE ACQUISITION

On 8 July 2009, the Company announced the 2009 Acquisition which constituted a very substantial acquisition for the Company and was completed on 16 December 2009. Since then and following approval by the independent Shareholders of the proposed disposal of the agro-conservation and bioenergy businesses as announced by the Group on 10 December 2009 (completion of which is expected to take place by February 2010 and details of such a disposal were disclosed in the Company's announcement dated 10 December 2009 and circular dated

31 December 2009), the principal businesses of the Group will comprise mainly of the distribution and provision of banking and finance systems integration services and software solutions, and the mining business.

Under the 2009 Acquisition, the Company has acquired the entire equity interest in North Asia, which currently holds approximately 89.991% equity interest in Golden Pogada, at a consideration of HK\$1,760.22 million. The Company considers that the 2009 Acquisition has allowed the Group to participate in a sought-after resources-related industry and expect that the 2009 Acquisition will present the Group with favorable long term prospects. The Company considers that the Acquisition can further enhance the business relationship between the Company and China Railway Mongolia, allow it to capitalise on the expertise and business connections of China Railway Mongolia and its parent company, China Railway Resources Group Co., Ltd, and secure reliable transportation solution for the output of Golden Pogada's mine to the PRC including the construction of the restricted railway and a docking station. The Company considers that by inviting China Railway Mongolia to become a direct Shareholder, it would strengthen and foster the future business prospect and cooperation between North Asia and China Railway Mongolia, and also strengthens the presence of the Group in the PRC and Mongolia.

Taking into account the aforesaid, the Directors consider that the terms of the Acquisition Agreement are fair and reasonable and are in the interests of the Shareholders and the Company as a whole.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following chart sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion assuming that there are no other changes in the shareholding structure of the Company:

Shareholder	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Integrated Asset Management (Asia) Limited ("IAM") (note 1)	114,436,657	20.30	114,436,657	18.63
The Directors (note 4)	15,710,824	2.79	15,710,824	2.56
Mountain Sky Resources (Mongolia) Limited ("Mountain Sky") (note 2)	44,100,000	7.83	44,100,000	7.18
Ultra Asset International Ltd. ("Ultra Asset") (note 3)	18,900,000	3.35	18,900,000	3.07
China Railway Mongolia	–	–	50,690,000	8.25
Other public Shareholders	370,519,844	65.73	370,519,844	60.31
<b>Total</b>	<b>563,667,325</b>	<b>100.00</b>	<b>614,357,325</b>	<b>100.00</b>

Notes:

- IAM is wholly and beneficially owned by Mr. Yam Tak Cheung.

2. Mountain Sky is beneficially owned as to approximately 36.57% by Ms. Kung Lui and approximately 36.57% by Mr. Chan Kwan-Hung. Mountain Sky is also the beneficial owner of 1,783,110,000 convertible preference shares which carry the rights for conversion into 1,783,110,000 Shares upon full conversion at the prevailing conversion ratio of one Share for one convertible preference share. Ms. Kung Lui, through her controlling corporation, also indirectly holds 100,000 share options which has the right to subscribe for 100,000 Shares upon exercise in full.
3. Ultra Asset is beneficially owned as to 60% by a company which is wholly and beneficially owned by Mr. Yu Tsung Chin, William. Ultra Asset is also the beneficial owner of 764,190,000 convertible preference shares which carry the rights for conversion into 764,190,000 Shares upon full conversion at the prevailing conversion ratio of one Share for one convertible preference share.
4. As at the date of this announcement, each of Mr. Tse Michael Nam, Mr. Puongpun Sananikone, Mr. Albert Theodore Powers, Mr. Lim Yew Kong, John and Mr. Pang Seng Tuong, being the Directors, holds 11,531,642 Shares, 1,561,648 Shares, 1,000,000 Shares, 839,178 Shares and 778,356 Shares respectively, and the Directors also hold an aggregate of 8,658,775 outstanding share options.

## **LISTING RULES IMPLICATIONS**

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules on the basis that (i) the Group has complied with the Listing Rules in respect of the requirements for a very substantial acquisition in the 2009 Acquisition; and (ii) the Acquisition, when aggregated with the 2009 Acquisition, would not result in a higher transaction classification under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2009 Acquisition”	the acquisition of North Asia by the Company completed on 16 December 2009, details of which are set out in the circular of the Company dated 23 October 2009
“Acquisition”	the conditional acquisition of the Sale Shares by North Asia pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 19 February 2010 entered into between North Asia and China Railway Mongolia in relation to the conditional sale and purchase of the Sale Shares
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours



“BVI”	British Virgin Islands
“China Railway Mongolia”	China Railway Mongolia Investment LLC (中鐵蒙古有限責任公司), a company incorporated in Mongolia with limited liability and is the holder of the Sale Shares
“Choir Docking Agreement”	the agreement entered into between Golden Pogada and China Railway Mongolia dated 13 November 2009, details of which are set out in the announcement of the Company dated 13 November 2009
“Company”	Green Global Resources Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms of the Acquisition Agreement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration Share(s)”	the 50,690,000 new Shares to be allotted and issued to China Railway Mongolia, credited as fully paid, as the consideration of the Acquisition
“Director(s)”	director(s) of the Company
“Golden Pogada”	Golden Pogada LLC, a company incorporated in Mongolia with limited liability on 18 January 2007 and an approximately 89.991% indirectly non-wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mongolian National”	a Mongolian national, who is to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and connected with the Company and its connected persons, holding approximately 0.010% of the existing issued share capital of Golden Pogada

“North Asia”	North Asia Resources Group Limited, a company incorporated on 29 May 2009 in BVI with limited liability, which is a wholly-owned subsidiary of the Company holding approximately 89.991% of the existing issued share capital of Golden Pogada
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan
“Sale Shares”	approximately 9.999% of the existing issued share capital of Golden Pogada and the entire equity interest held by China Railway Mongolia in Golden Pogada
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollar, the lawful currency of the United States of America
“%” or “per cent.”	percentage or per centum

By order of the Board  
**Green Global Resources Limited**  
**Tse Michael Nam**  
*Chairman*

Hong Kong, 19 February 2010

As at the date of this announcement, the Directors are as follows:

*Executive Directors:*

Mr. Tse Michael Nam  
Mr. Puongpun Sananikone

*Independent non-executive Directors:*

Mr. Lim Yew Kong, John  
Mr. Albert Theodore Powers  
Mr. Pang Seng Tuong