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China Sonangol Resources Enterprise Limited

安中資源實業有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1229)

**VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION -
FURTHER ACQUISITION OF 49% EQUITY INTEREST IN
STAR FORTUNE INTERNATIONAL INVESTMENT COMPANY LIMITED
AND
DELAY IN DESPATCH OF CIRCULAR
AND
RESUMPTION OF TRADING**

Financial Adviser to the Company



BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

THE ACQUISITION

The Board announces that on 20 May 2010 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Company (as the Purchaser's Guarantor) entered into a conditional Sale and Purchase Agreement with the Vendor and the Vendor's Guarantor, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to further acquire the remaining 49% equity interest in the Target Company at the consideration of HK\$50 million. The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed "Conditions Precedent" below.

The Consideration of the Acquisition is to be satisfied as to (i) HK\$20 million in cash as a refundable deposit and part payment of the Consideration, which shall be deposited into an escrow account with the Purchaser's solicitors on the date of execution of the Sale and Purchase Agreement and shall be released to the Vendor or its nominee on the Completion Date pursuant to the Escrow Agreement and (ii) HK\$30 million in cash on Completion.

Pursuant to the Sale and Purchase Agreement, subject to Completion, the Purchaser and the Purchaser's Guarantor agree to waive the obligation of the Vendor and the Vendor's Guarantor to perform the Performance Guarantee for the Second Annual Period as set out in the Former Sale and Purchase Agreement. Such waiver involves a material change of the terms of the Former Sale and Purchase Agreement and the Sale and Purchase Agreement is subject to the approval by the Shareholders at the SGM. The Performance Guarantee for the First Annual Period will continue to be settled in accordance with the terms and conditions of the Former Sale and Purchase Agreement. To the best of the Directors' knowledge, information and belief, the Performance Guarantee for the First Annual Period has been met.

GENERAL

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Sale and Purchase Agreement are more than 100%, the entering into of the Sale and Purchase Agreement constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules.

The Vendor, which owns 49% equity interest in the Target Company (which is a non wholly-owned subsidiary of the Company), is a substantial shareholder of the Target Company and is therefore a connected person of the Company within the meaning of the Listing Rules. As such, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Sale and Purchase Agreement will be subject to the Shareholders' approval by way of poll at the SGM. As no Shareholder has material interest in the Acquisition, no Shareholder is required to abstain from voting at the SGM in respect of the resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

An Independent Board Committee will be established by the Company to give recommendations to the Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders in this regard.

DELAY IN DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Acquisition, recommendation of the Independent Board Committee, the letter of advice from an independent financial adviser, the accountants' report on the Target Group, the valuation report on the Coal Mines, the independent technical report in respect of the Coal Mines prepared by an independent technical adviser and a notice of the SGM will be despatched to the Shareholders as soon as possible. Pursuant to Rules 14.38A and 14A.49 of the Listing Rules, the Company is required to despatch the circular to the Shareholders within 21 days after publication of this announcement. As the Company intends to announce its annual financial results for the year ended 31 March 2010 (which will contain the audited financial information of the Target Group) on 18 June 2010 and with a view to providing more updated financial information to the Shareholders, additional time is required to finalise the financial information, including but not limited to, the unaudited pro forma financial information of the Enlarged Group after the Acquisition and the accountants' report of the Target Group. In this respect, an application has been made to the Stock Exchange for a waiver from strict compliance with Rules 14.38A and 14A.49 of the Listing Rules, and the circular will be despatched to the Shareholders on or before 30 June 2010.

Completion of the Acquisition and the transactions contemplated thereunder may or may not take place. Shareholders and potential investors should exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 24 May 2010 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 3 June 2010.

INTRODUCTION

Reference is made to the announcement and circular of the Company dated 7 May 2009 and 12 June 2009 respectively in relation to the Former Acquisition.

The Board announces that on 20 May 2010 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Company (as the Purchaser's Guarantor) entered into a conditional Sale and Purchase Agreement with the Vendor and the Vendor's Guarantor, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to further acquire the remaining 49% equity interest in the Target Company at the consideration of HK\$50 million.

SALE AND PURCHASE AGREEMENT

The following is the brief summary of some of the principal terms of the Sale and Purchase Agreement:

Date: 20 May 2010

Parties:

Vendor: SFID

Purchaser: Lasting Power

Guarantors: (i) Ming Kei Holdings Limited, as guarantor of the Vendor; and
(ii) the Company, as guarantor of the Purchaser

Assets to be acquired

The Sale Shares represent 49% issued share capital of the Target Company as at the date of this announcement. The Sale Shares will be acquired free from any Encumbrances and together with all rights attaching to them on or after the date of the Sale and Purchase Agreement (including all rights to any dividend or other distribution declared, made or paid after the date of the Sale and Purchase Agreement).

Further information on the Target Company and its subsidiaries are set out in the paragraph headed “Information on the Vendor, the Target Group and the Coal Mines” below.

Consideration

The Consideration for the sale and purchase of the Sale Shares is HK\$50 million, which shall be settled by the Purchaser from its internal resources in the following manner:

1. HK\$20 million in cash as a refundable deposit and part payment of the Consideration, which shall be deposited into an escrow account with the Purchaser’s solicitors and shall be released to the Vendor or its nominee on the Completion Date pursuant to the Escrow Agreement; and
2. HK\$30 million in cash on Completion.

Basis of determination of the Consideration

The Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor with reference to, among other things, (i) the 100% equity interest in the Target Company to be held by the Company upon Completion and (ii) a price to earnings ratio (“**P/E ratio**”) of approximately 2.4 times based on the audited net profit after tax of Subsidiary A for the year ended 31 December 2009 which is comparable to other mining issuers listed on the Stock Exchange.

In determining the basis of the Consideration, the Company has only made reference to the financial information of Subsidiary A due to the fact that Subsidiary B has not yet commenced business. The audited net profit after tax of Subsidiary A for the year ended 31 December 2009 reflects most realistically the earnings of the Target Group. For the year ended 31 December 2008, the audited profits before and after tax of Subsidiary A are both approximately RMB39.01 million (equivalent to approximately HK\$44.47 million). For the year ended 31 December 2009, the audited profits before and after tax of Subsidiary A are approximately RMB43.31 million (equivalent to approximately HK\$49.37 million) and approximately RMB37.37 million (equivalent to approximately HK\$42.60 million) respectively. As such, the Directors (excluding the independent non-executive Directors who will express their views after having considered the advice of the independent financial adviser) consider that the Consideration is fair and reasonable without considering the financial information of Subsidiary B.

Given that coal plays a vital role in the PRC's power generation industry and it is expected that its important role will continue in the future, the Directors have positive view on the future prospect of the coal mining industry in the PRC. Taking into account that (i) the P/E ratio of approximately 2.4 times is lower than the P/E ratio of 4.90 times in respect of the Former Acquisition; (ii) 100% profits of the Target Group shall be retained by the Company; and (iii) the positive prospect of coal mining industry pursuant to the "11th Five-Year" plan of the PRC, the Directors (excluding the independent non-executive Directors who will express their views after having considered the advice of the independent financial adviser) are of the view that the Consideration is fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion is conditional upon the following conditions having been fulfilled or waived:

1. the Vendor has a good title to the Sale Shares free from Encumbrances and the Vendor is the sole registered and beneficial owner of the Sale Shares;
2. all necessary consents and approvals required to be obtained on the part of the Vendor and the Vendor's Guarantor as required under the GEM Listing Rules having been obtained;
3. all necessary consents and approvals required to be obtained on the part of the Purchaser and the Purchaser's Guarantor as required under the Listing Rules having been obtained;
4. all approvals, consents, authorizations and licenses including but not limited to the exploration and exploitation permits necessary for the business and operation of the Target Group not having been revoked or withdrawn and are still valid and effective;
5. the Vendor's warranties contained in the Sale and Purchase Agreement remaining true and correct in all material respect;
6. the Purchaser's warranties contained in the Sale and Purchase Agreement remaining true and correct in all material respect;

7. the passing by the shareholders of the Vendor's Guarantor at a special general meeting to be convened and held of the ordinary resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder;
8. the passing by the Shareholders of the Purchaser's Guarantor at the SGM to be convened and held of any ordinary resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder;
9. the Vendor having performed in all material respects all of the covenants and agreements required to be performed by it under the Sale and Purchase Agreement;
10. the Purchaser having performed in all material respects all of the covenants and agreements required to be performed by it under the Sale and Purchase Agreement; and
11. no statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the Sale Shares or the operation of any member of the Target Group after Completion having been proposed, enacted or taken by any governmental or official authority.

The Purchaser may waive conditions 5 and 9 above at any time by notice in writing to the Vendor whereas conditions 1, 2 and 7 could not be waived by the Purchaser. The Vendor may at any time by notice in writing to the Purchaser waive conditions 6 and 10 above whereas conditions 3 and 8 cannot be waived by the Vendor. Conditions 4 and 11 above shall only be waived by the Purchaser and the Vendor mutually.

If the above conditions have not been satisfied or waived (as the case may be) on or before the 31 August 2010 (or such later date to be agreed by the parties to the Sale and Purchase Agreement in writing), neither party shall be bound to proceed with the sale and purchase of the Sale Shares and the outstanding obligation under the Sale and Purchase Agreement shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the Sale and Purchase Agreement. The Vendor shall take all necessary action to return the deposit of HK\$20 million (with interest) to the Purchaser within 3 Business Days after the Long Stop Date.

Completion

Completion of the Acquisition shall take place within 5 Business Days after all the above conditions precedent have been fulfilled or waived by the Purchaser or the Vendor (or such later date as agreed by the parties to the Sale and Purchase Agreement in writing). Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. Pursuant to the Sale and Purchase Agreement, subject to Completion, the Purchaser and the Purchaser's Guarantor agree to waive the obligation of the Vendor and the Vendor's Guarantor to perform the Performance Guarantee for the Second Annual Period as set out in the Former Sale and Purchase Agreement (details of which are set out in the paragraph headed "Performance and Profit Guarantees" below).

Performance and Profit Guarantees

Pursuant to the Former Sale and Purchase Agreement, the Vendor and the Vendor's Guarantor have jointly, severally, unconditionally and irrevocably guaranteed to the Purchaser and the Purchaser's Guarantor that the volume of coal sold (based on the coal sold as stated on the value-added tax invoices) by Subsidiary A for each of the First Annual Period and the Second Annual Period shall not be less than 900,000 tonnes.

Considering that the Target Company will become an indirect wholly-owned subsidiary of the Company and the Vendor will cease to be a shareholder of the Target Company following Completion of the Acquisition, pursuant to the Sale and Purchase Agreement, the Purchaser and the Purchaser's Guarantor agree to waive the obligation of the Vendor and the Vendor's Guarantor to perform the Performance Guarantee for the Second Annual Period subject to Completion. Such waiver involves a material change of the terms of the Former Sale and Purchase Agreement and the Sale and Purchase Agreement is subject to the approval by the Shareholders at the SGM.

The Performance Guarantee for the First Annual Period will continue to be settled in accordance with the terms and conditions of the Former Sale and Purchase Agreement. To the best of the Directors' knowledge, information and belief, the Performance Guarantee for the First Annual Period has been met.

According to the Former Sale and Purchase Agreement, the Vendor and the Vendor's Guarantor jointly, severally, unconditionally and irrevocably guaranteed that the audited net profit after tax of Subsidiary A shall not be less than HK\$40 million for the period from 1 January 2009 to 31 December 2009 ("**Profit Guarantee**"). Based on the audited figures of Subsidiary A, the audited net profit after tax of Subsidiary A for the year ended 31 December 2009 was approximately RMB37.37 million (equivalent to approximately HK\$42.60 million), and the Profit Guarantee has been met.

Non-Competition and Non-Solicitation

For a period of two years following the Completion, except for as otherwise authorized by the Sale and Purchase Agreement or agreed to in writing by the Purchaser, none of the Vendor or the Vendor's Guarantor will on behalf of itself or any other person, either as principal, agent, partner, member, shareholder, employee, consultant, representative, director or officer or in any other capacity (i) directly or indirectly own, manage, operate or control, or be employed by, engaged in or assist anyone to engage in, or have a financial interest in, any business in Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region, the PRC (中國新疆維吾爾自治區奇台縣北塔山) (the "**Region**") which competes with the business of the Target Company or the Target Group in the Region; (ii) directly or indirectly solicit or entice away any person who is or has been a customer of the Target Company or the Target Group within two years before the Completion; (iii) directly or indirectly solicit or endeavour to entice away from or discourage from being employed by the Target Company or the Target Group any person who is at the date of the Sale and Purchase Agreement an officer or employee of the Target Company or the Target Group whether or not such person would commit a breach of contract by reason of leaving service (save and except for those director(s) and/or supervisor(s) and/or company secretary(ies) and/or legal representative(s)

appointed or designated by the Vendor in each member of the Target Group who will resign from their respective positions immediately upon Completion); or (iv) directly or indirectly employ or engage or attempt to employ or engage or negotiate or arrange the employment or engagement by any other person, firm or company of any person who is at the date of the Sale and Purchase Agreement an officer or employee of the Target Company or the Target Group (save and except for those director(s) and/or supervisor(s) and/or company secretary(ies) and/or legal representative(s) appointed or designated by the Vendor in each member of the Target Group who will resign from their respective positions immediately upon Completion).

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in (i) the provision of management services related to oil trading marketing; (ii) trading of clocks and other office related products; and (iii) mining, sale and distribution of coal.

According to the interim report of the Group for the six months ended 30 September 2009, it is the intention of the Group to actively seek for investment opportunities in order to broaden the business of the Group. During the post acquisition period of the Former Acquisition commencing from 4 July 2009 to 30 September 2009, the unaudited revenue and profit before tax contributed to the Group by its holding of the 51% equity interest in the Target Group were approximately HK\$32,532,000 and HK\$12,986,000 respectively. The Directors (excluding the independent non-executive Directors who will express their views after having considered the advice of the independent financial adviser) are of the view that the Acquisition may further increase both the revenue and profit contribution from the Target Group to the Group.

After considering (i) the future prospect relating to the coal mining industry in the PRC; (ii) the 100% profit of the Target Group that shall be retained by the Group; and (iii) the lower P/E ratio of approximately 2.4 times as compared with the P/E ratio in respect of the Former Acquisition, the Directors (excluding the independent non-executive Directors who will express their views after having considered the advice of the independent financial adviser) consider that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE VENDOR, THE TARGET GROUP AND THE COAL MINES

The Vendor is an indirect wholly-owned subsidiary of the Vendor's Guarantor (a company listed on the Growth Enterprise Market of the Stock Exchange). The Vendor's Guarantor is principally engaged in investment holding and property investment in Hong Kong and the PRC and in business of general trading in the PRC.

The Target Group is principally engaged in mining, sale and distribution of coal. The Target Company is an investment holding company with limited liabilities incorporated in the BVI. As at the date of this announcement, the Target Company directly holds 100% equity interest in Ming Kei Kai Yuan, an investment holding company with limited liabilities incorporated in Hong Kong, which in turn holds 100% equity interest in Subsidiary A, which in turn holds 100% equity interest in Subsidiary B.

The Target Company, through its wholly-owned subsidiaries, is the beneficial owner of the entire interest in the mining rights (採礦許可證) granted by the relevant PRC authorities to conduct mining activities in the Kaiyuan Open Pit Coal Mine (凱源露天煤礦) and the exploration permit (礦產資源勘查許可證) granted by the relevant PRC authorities to conduct exploration activities in the Zexu Open Pit Coal Mine (澤旭露天煤礦).

Subsidiary A, a wholly foreign-owned enterprise with limited liability established in the PRC on 17 October 2006 with a registered capital of RMB30 million, is principally engaged in the operation and management of the Kaiyuan Open Pit Coal Mine.

Subsidiary B, a limited company established in the PRC on 5 February 2005 with a registered capital of RMB2 million, is principally engaged in the operation and management of the Zexu Open Pit Coal Mine. Save for holding the exploration permit of the Zexu Open Pit Coal Mine, Subsidiary B has not yet commenced production, sale and distribution of coals since its incorporation. At present, Subsidiary B does not have any revenue generated from that coal mine.

Kaiyuan Open Pit Coal Mine (凱源露天煤礦)

Kaiyuan Open Pit Coal Mine, situated at Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region, the PRC (中國新疆維吾爾自治區奇台縣北塔山), is presently in operation with a general mining area of 1.158 square kilometers. It is owned and operated by Subsidiary A. The mining rights (採礦許可證) of Kaiyuan Open Pit Coal Mine granted by the Department of Land and Resources of Xinjiang Uygur Autonomous Region to Subsidiary A to conduct mining activities in the Kaiyuan Open Pit Coal Mine is valid from June 2008 until June 2018.

Details of the estimated proved coal reserves and the estimated probable coal reserves of Kaiyuan Open Pit Coal Mine will be disclosed in the updated independent technical report to be included in the circular.

Zexu Open Pit Coal Mine (澤旭露天煤礦)

Zexu Open Pit Coal Mine, situated at Bei Ta Mountain, Qitai County, Xinjiang Uygur Autonomous Region, the PRC (中國新疆維吾爾自治區奇台縣北塔山) with an area of approximately 2.87 square kilometers, is presently in exploration stage. The exploration permit issued by the Department of Land and Resources of Xinjiang Uygur Autonomous Region allows Subsidiary B to conduct exploration work in Zexu Open Pit Coal Mine and is valid from October 2009 until October 2011.

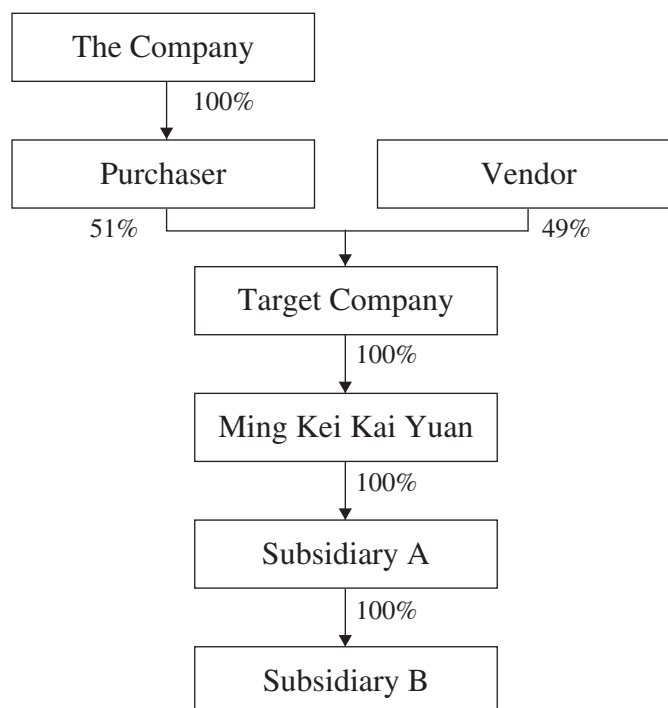
The renewal of the exploration permit issued to Subsidiary B, upon its expiry in October 2011, will be subject to the approval of the relevant government authorities in the PRC and the exploration permit can only be renewed when it is expired. The renewal application is a procedural matter subject to Subsidiary B having satisfied with the required standards and other requirements under the relevant rules and regulations and by the relevant government authorities. The Directors do not foresee any impediment in renewing the exploration permit upon its expiry in October 2011.

The coal extracted from the Coal Mines can be used for steel production, coal-fired electricity generation, power generation and for domestic purpose. The Coal Mines are open pit coal mines, which in general are safer to mine than those on which underground mining method needs to be applied as open pit mines induce less risk of occurrence of accidents.

Details of the estimated measured coal resources and the estimated indicated coal resources of Zexu Open Pit Coal Mine will be disclosed in the updated independent technical report to be included in the circular.

Set out below is the shareholding structure of the Target Group immediately before and after Completion:

Immediately before Completion:



Immediately after Completion:



Financial information on the Target Group

Immediately after Completion, the Company will indirectly own 100% equity interest in the Target Company which indirectly holds the entire equity interest in Subsidiary A and Subsidiary B. The Target Company will become an indirect wholly-owned subsidiary of the Company upon Completion and its consolidated financial results will be fully consolidated with those of the Group.

Set out below is the summary of financial information of the Target Group:

	For the period from 1 April 2009 to 30 September 2009 (unaudited) HK\$'000 (approximately)	For the year ended 31 March 2009 (audited) HK\$'000 (approximately)	For the period from 12 April 2007 (date of incorporation) to 31 March 2008 (audited) HK\$'000 (approximately)
Revenue	95,993	127,705	35,071
Profit/(loss) before taxation	18,939	(1,128,483)	51,259
Profit/(loss) after taxation	16,558	(836,342)	53,233

	As at 30 September 2009 <i>HK\$'000</i> <i>(approximately)</i>	As at 31 March 2009 <i>HK\$'000</i> <i>(approximately)</i>	As at 31 March 2008 <i>HK\$'000</i> <i>(approximately)</i>
Net assets/(liabilities)	208,975	(766,670)	116,465

GENERAL

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Sale and Purchase Agreement are more than 100%, the entering into of the Sale and Purchase Agreement constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules.

The Vendor, which owns 49% equity interest in the Target Company (which is a non wholly-owned subsidiary of the Company), is a substantial shareholder of the Target Company and is therefore a connected person of the Company within the meaning of the Listing Rules. As such, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Sale and Purchase Agreement will be subject to the Shareholders' approval by way of poll at the SGM. As no Shareholder has material interest in the Acquisition, no Shareholder is required to abstain from voting at the SGM in respect of the resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

An Independent Board Committee will be established by the Company to give recommendations to the Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders in this regard.

A circular containing, among other things, further details of the Acquisition, recommendation of the Independent Board Committee, the letter of advice from an independent financial adviser, the accountants' report on the Target Group, the valuation report on the Coal Mines, the independent technical report in respect of the Coal Mines prepared by an independent technical adviser and a notice of the SGM will be despatched to the Shareholders as soon as possible. Pursuant to Rules 14.38A and 14A.49 of the Listing Rules, the Company is required to despatch the circular to the Shareholders within 21 days after publication of this announcement. As the Company intends to announce its annual financial results for the year ended 31 March 2010 (which will contain the audited financial information of the Target Group) on 18 June 2010 and with a view to providing more updated financial information to the Shareholders, additional time is required to finalise the financial information, including but not limited to, the unaudited pro forma financial information of the Enlarged Group after the Acquisition and the accountants' report of the Target Group. In this respect, an application has been made to the Stock Exchange for a waiver from strict compliance with Rules 14.38A and 14A.49 of the Listing Rules, and the circular will be despatched to the Shareholders on or before 30 June 2010.

Completion of the Acquisition and the transactions contemplated thereunder may or may not take place. Shareholders and potential investors should exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 24 May 2010 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 3 June 2010.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless otherwise states:

“Acquisition”	the acquisition of 49% equity interest in the Target Company by the Purchaser
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours (excluding Saturdays and Sundays)
“BVI”	the British Virgin Islands
“Coal Mines”	Kaiyuan Open Pit Coal Mine (凱源露天煤礦) and Zexu Open Pit Coal Mine (澤旭露天煤礦), both are situated at Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region, the PRC (中國新疆維吾爾自治區奇台縣北塔山)
“Company” or “Purchaser’s Guarantor”	China Sonangol Resources Enterprise Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares
“Completion Date”	within 5 Business Days after all the conditions precedent have been fulfilled or waived by the Purchaser or the Vendor (or such later date as the parties to the Sale and Purchase Agreement may agree in writing)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$50 million, being the total consideration for the Sale Shares
“Director(s)”	the directors of the Company, including the independent non-executive directors

“Encumbrances”	any mortgage, charge, pledge, lien, equities, hypothecation or other encumbrance, priority of security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-lease back arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Enlarged Group”	the Group immediately after the Completion
“Escrow Agreement”	the escrow agreement dated 20 May 2010 entered into between the Purchaser, the Purchaser’s solicitors (as escrow agent) and the Vendor in respect of the escrow of the refundable deposit and part payment of the Consideration, being HK\$20 million, in the escrow account with the Purchaser’s solicitors
“First Annual Period”	the first twelve-month period ending immediately after the completion date of the Former Acquisition
“Former Acquisition”	the acquisition of 51% equity interest in the Target Company by the Purchaser pursuant to the Former Sale and Purchase Agreement
“Former Sale and Purchase Agreement”	the sale and purchase agreement dated 30 April 2009 entered into among the Purchaser, the Vendor, the Purchaser’s Guarantor and the Vendor’s Guarantor, and the details of which were set out in the announcement of the Company dated 7 May 2009
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising of all the independent non-executive Directors
“Lasting Power” or “Purchaser”	Lasting Power Investments Limited (力恒投資有限公司), a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Long Stop Date”	31 August 2010 (or such later date to be agreed by the parties to the Sale and Purchase Agreement in writing)

“Ming Kei Kai Yuan”	Ming Kei Kai Yuan Investment Company Limited (明基凱源投資有限公司), a company incorporated in Hong Kong and legally and beneficially owned as to 100% by the Target Company
“Performance Guarantee”	the performance guarantee pursuant to the Former Sale and Purchase Agreement, where the Vendor and the Vendor’s Guarantor jointly, severally, unconditionally and irrevocably guarantee to the Purchaser that the volume of coal sold (based on the coal sold as stated on the value-added tax invoices) by Subsidiary A for each of the First Annual Period and the Second Annual Period shall not be less than 900,000 tonnes
“PRC”	The People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 May 2010 in respect of the acquisition of 49% equity interest in the Target Company by the Purchaser
“Sale Shares”	49 shares of US\$1.00 each in the share capital of the Target Company, representing 49% equity interest in the Target Company, beneficially owned by the Vendor immediately before the Completion
“Second Annual Period”	the twelve-month period ending immediately after the First Annual Period
“SFID” or “Vendor”	Star Fortune International Development Company Limited (星力富鑫國際發展有限公司), an indirect wholly-owned subsidiary of the Vendor’s Guarantor and a connected person of the Company
“SGM”	a special general meeting of the Company to be convened to approve, amongst other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the existing share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary A”	木壘縣凱源煤炭有限責任公司 (transliterated as Mulei County Kai Yuan Company Limited), a wholly-owned foreign enterprise established in the PRC and beneficially owned as to 100% by Ming Kei Kai Yuan

“Subsidiary B”	奇台縣澤旭商貿有限責任公司 (transliterated as Qitai County Zexu Trading Company Limited), a company established in the PRC and beneficially owned as to 100% by Subsidiary A
“Target Company”	Star Fortune International Investment Company Limited (星力富鑫國際投資有限公司), a company incorporated in the BVI, a non wholly-owned subsidiary of the Company and an associated company of the Vendor
“Target Group”	the Target Company and its subsidiaries, details of which are disclosed in the section headed “Information on the Vendor, the Target Group and the Coal Mines” of this announcement
“Vendor’s Guarantor”	Ming Kei Holdings Limited, a company incorporated in Cayman Islands with limited liability and continued in Bermuda, the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8239)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For illustration purpose, certain amounts denominated in HK\$ have been translated in this announcement based on the following exchange rates:

$$RMB1.00 = HK\$1.14$$

By order of the Board of
China Sonangol Resources Enterprise Limited
Kwan Man Fai
Executive Director

Hong Kong, 2 June 2010

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Lo Fong Hung, Mr. Wang Xiangfei and Mr. Kwan Man Fai, and three independent non-executive Directors, namely Mr. Wong Man Hin, Raymond, Mr. Lam Ka Wai, Graham and Mr. Chan Yiu Fai, Youdey.