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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)

PLACING OF BONDS AND CONNECTED TRANSACTION – PLACING AGREEMENT

Placing Agent



**長雄證券有限公司
EVER-LONG SECURITIES CO. LTD.**

On 15 August 2017 (after trading hours), the Company as the issuer, and the Placing Agent as the placing agent entered into the Placing Agreement, pursuant to which the Placing Agent agreed to act as a placing agent, on a best effort basis, for the purpose of procuring the Placees to subscribe for the Bonds at the Issue Price in an aggregate principal amount of up to HK\$100,000,000 during the Placing Period.

As the Placing Agent is a wholly-owned subsidiary of Styland Holdings, a substantial shareholder of the Company since 28 March 2017, the Placing Agent is a connected person of the Company and the transactions contemplated under the Placing Agreement (including the payment of the Placing Commission by the Company to the Placing Agent) constitutes a connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios under the Listing Rules for the payment of the Placing Commission under the Placing Agreement and the Brokerage Commission are less than 25% and the total consideration is less than HK\$10,000,000, the transactions contemplated under the Placing Agreement (including the payment of the Placing Commission by the Company to the Placing Agent) is only subject to the reporting and announcement requirements under the Listing Rules and is exempt from the circular, independent financial advice and shareholders' approval requirements under the Listing Rules.

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THE PLACING AGREEMENT

Date : 15 August 2017 (after trading hours)

Parties

Issuer : the Company

Placing Agent : Ever-Long Securities Company Limited

Placees

The Placing Agent has agreed to act as placing agent of the Company and to procure, on a best effort basis, during the Placing Period, that the Bonds will be placed to Placees which will be independent institutional or private investors, and who and whose ultimate beneficial owner(s) are Independent Third Party(ies).

Placing Period

The period commencing from the date of Placing Agreement and ending on 31 March 2018, or such other period as may be agreed between the Company and the Placing Agent in writing.

Placing Commission

The Placing Agent shall be entitled to the Placing Commission in respect of the relevant Placing of Bonds. The Placing Commission under the Placing Agreement was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

Subscription Agreement

Upon the successful procurement of the Placing Agent for Placees for the Bonds, each Placee will separately enter into Subscription Agreement with the Company for the subscription of the Bonds.

Conditions precedent to the Subscription Agreement

The subscription by the Placee(s) of the Bonds shall be conditional upon the following conditions being fulfilled:

- (i) all necessary consents and approvals as may be obtained by the Company and the relevant Placee having been obtained for the issue and subscription of the Bonds; and

- (ii) all the representations and warranties given by the Company under the Subscription Agreement remaining true, correct and not misleading in all material respects, and/or there being no any event, act or omission occurs which gives or is likely to give rise to a material breach by the Company of any other provision of the Subscription Agreement.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised below:

Issuer	:	the Company
Principal amount	:	up to HK\$100,000,000
Issue Price	:	100% of the principal amount of the Bonds
Form and denomination	:	in registered form and in denomination of HK\$1,000,000 each or integral multiples thereof
Maturity date	:	on the date falling on the third (3rd) anniversary of the date of issue of the Bonds (or, if that is not a Business Day, the first Business Day thereafter)
Interest rate	:	6% per annum, calculated on the actual number of days elapsed and on the basis of a 365-day year payable half a year in arrears on 30th June and 31st December in each year. All outstanding interest as at the Maturity Date shall be paid on the Maturity Date.
Status	:	the Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for the listing of the Bonds.
Transferability	:	Subject to the prior written consent of the Company, the Bonds may be transferrable in whole multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount thereof). Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person of the Company.

The terms of the Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

INFORMATION OF THE PARTIES TO THE PLACING AGREEMENT

The Group is principally engaged in coalbed methane gas exploration and exploitation in the PRC, sales of electronic components and treasury which include securities trading and money lending.

The Placing Agent is a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (Advising on corporate finance) regulated activities under the SFO. As the Placing Agent is a wholly-owned subsidiary of Styland Holdings, a substantial shareholder of the Company since 28 March 2017, the Placing Agent is a connected person of the Company and the transactions contemplated under the Placing Agreement (including the payment of the Placing Commission by the Company to the Placing Agent) constitutes a connected transaction for the Company under the Listing Rules.

REASONS FOR THE PLACING OF BONDS AND USE OF PROCEEDS

The Board has considered various ways of raising funds to develop its businesses and consider that the Placing of Bonds represents a suitable opportunity to raise capital for the Group. In addition, the Placing of Bonds will not result in any dilution effect on the shareholding of the existing Shareholders.

The Directors (including the independent non-executive Directors) are of the view that the Placing of Bonds provides a good opportunity to strengthen the Company's financial position and the terms of the Placing of Bonds and the Placing Commission are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the Bonds are placed in full, the maximum aggregate principal amount of the Placing of Bonds will be HK\$100,000,000. The Company intends to use the net proceeds after deducting the Placing Commission and other related costs and expenses for (i) development of coalbed methane business carried out at Luling Block and exploration work at Su'nan Block, of which located in Su'nan area, Anhui Province of the PRC; and/or (ii) repayment of the debts; and/or (iii) the general working capital of the Group as well as future business development.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Albert Saychuan Cheok ("Mr. Cheok"), the chairman and independent non-executive Director, is interested in 200,000 shares and 40,000 warrants of Styland Holdings and save for Mr. Cheok, none of the Directors has a material interest in the transactions contemplated under the Placing Agreement. Save for Mr. Cheok who has abstained from voting on the relevant board resolutions of the Company for approving the Placing Agreement, no Director has abstained from voting on the relevant board resolutions of the Company approving the Placing Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As the Placing Agent is a wholly-owned subsidiary of Styland Holdings, a substantial shareholder of the Company since 28 March 2017, the Placing Agent is a connected person of the Company and the transactions contemplated under the Placing Agreement (including the payment of the Placing Commission by the Company to the Placing Agent) constitutes a connected transaction for the Company under the Listing Rules. Assuming the Bonds are fully placed by the Placing Agent, the Placing Agent is expected to receive a maximum placing commission of not more than HK\$4,000,000 in cash under the Placing Agreement.

As the applicable percentage ratios under the Listing Rules for the payment of the Placing Commission under the Placing Agreement and the Brokerage Commission are less than 25% and the total consideration is less than HK\$10,000,000, the transactions contemplated under the Placing Agreement (including the payment of the Placing Commission by the Company to the Placing Agent) is only subject to the reporting and announcement requirements under the Listing Rules and is exempt from the circular, independent financial advice and shareholders' approval requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Bonds”	the three-year 6% coupon unlisted bonds to be issued by the Company in an aggregate principal amount of up to HK\$100,000,000 to be placed pursuant to Placing Agreement
“Brokerage Commission”	the brokerage commission paid by the Group to the Placing Agent since 28 March 2017
“Business Day”	a day (excluding a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company
“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
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of, and not connected with, the Company and its connected persons
“Issue Price”	the sum equal to 100% of the principal amount of the Bonds subscribed for or purchased by a Placee
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“Placee(s)”	independent institutional or private investor(s) selected and procured by the Placing Agent to subscribe for the Bonds pursuant to the Placing Agreement
“Placing Agent”	Ever-Long Securities Company Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (Advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 15 August 2017 entered into between the Company and the Placing Agent in relation to the Placing of Bonds
“Placing Commission”	the placing commission of 4.0% of the aggregate Issue Price of the Bonds subscribed for or purchased by the Placee(s) successfully procured by or on behalf of the Placing Agent
“Placing of Bonds”	the placing of the Bonds pursuant to the terms of the Placing Agreement
“Placing Period”	has the meaning ascribed to it under the paragraph headed “Placing Period”

“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Styland Holdings”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Subscription Agreement”	the agreement to be entered into by the Company and the Placees successfully procured by the Placing Agent relating to the subscription and issue of the Bonds (as the case may be)
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	Per cent

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

Hong Kong, 15 August 2017

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.