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鴻寶資源有限公司  
AGRITRADE RESOURCES LIMITED  
(Incorporated in Bermuda with limited liability)

(Stock Code: 1131)

## **VOLUNTARY ANNOUNCEMENT IN RELATION TO THE POTENTIAL ACQUISITION OF POWER PLANT IN INDIA**

This announcement is made by Agritrade Resources Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) on a voluntary basis to keep the shareholders of the Company (“**Shareholders**”) and potential investors of the Company informed of the latest development of the Group.

As disclosed in the interim report 2017 of the Company published on 21 December 2017, the Group intends to conduct vertical integration through strategic mergers and acquisitions with the objective of diversifying and expanding our business and customer base into new emerging markets and has been actively seeking investment opportunities through mergers and acquisitions in, including but not limited to, various energy projects. The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Group is in advanced stage of negotiating with independent third parties for an acquisition of a company (the “**Target Company**”) owning a thermal power plant which is currently under commercial operation in India (the “**Potential Acquisition**”).

The Target Company is a company incorporated in India and principally engaged in the operation of a 600 megawatt coal fired thermal power plant in Chattisgarh, India (the “**Power Plant**”). The Board estimates the amount of investment in the Potential Acquisition (including the value of the Power Plant) shall range between US\$525 million and US\$550 million. According to the information available to the Company, the Target Company has secured the fuel supply for the operation of the Power Plant, with approximately 2,600,000 tonnes of thermal coal per annum until the year of 2033. As at the date of this announcement, the Target Company is in the process of constructing an additional 600 megawatt coal fired thermal power plant at the same location (the “**New Power Plant**”), and the value of the New Power Plant is estimated to be approximately US\$400 million. According to the information provided by the Target Company, it is in the course of discussion and negotiation with various

industrial power consumers in India for long-term power purchase agreements, which are expected to generate revenue stream for the Target Company on a long-term basis.

As at the date of this announcement, the Company has appointed professionals including lawyers and accountants to perform legal, accounting and tax due diligence on the Target Company. The Company may further appoint other professionals such as technical consultants and/or financial advisers to assist in the decision-making process in relation to the Potential Acquisition.

Shareholders and potential investors of the Company should note that, the terms of the Potential Acquisition are still under negotiation and no formal and legally binding agreement in relation to the Potential Acquisition has been entered into as at the date of this announcement. Accordingly, the Potential Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited, and the Company will make further announcement(s) in relation to the Potential Acquisition in accordance with the requirements of the Listing Rules in due course.

**As the Potential Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Agritrade Resources Limited**  
**Ashok Kumar Sahoo**  
*Executive Director and*  
*Chief Financial Officer*

Hong Kong, 23 February 2018

*As at the date of this announcement, the Board comprises Mr. Ng Say Pek (Chairman), Mr. Ng Xinwei, Ms. Lim Beng Kim, Lulu and Mr. Ashok Kumar Sahoo as executive Directors and Mr. Chong Lee Chang, Mr. Siu Kin Wai, Mr. Terence Chang Xiang Wen, Mr. Cheng Yu and Mr. Pheng Chun Shing Vincent as independent non-executive Directors.*