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SINO RESOURCES GROUP LIMITED
(carrying on business in Hong Kong as Sino Gp Limited)
神州資源集團有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 223)

**SUPPLEMENTAL AGREEMENT TO THE SALES AND PURCHASE
AGREEMENT IN RELATION TO
THE ACQUISITION OF 70.97% ISSUED
SHARE CAPITAL OF ZHAN SHENG INVESTMENTS LIMITED**

Reference is made to the announcement (the “**31 March Announcement**”) of the Company dated 31 March 2012 in relation to the disclosable transactions as regards the Acquisition under the Sale and Purchase Agreement. Definitions and terms used in this announcement shall have the same meanings as those defined in the 31 March Announcement unless otherwise specified.

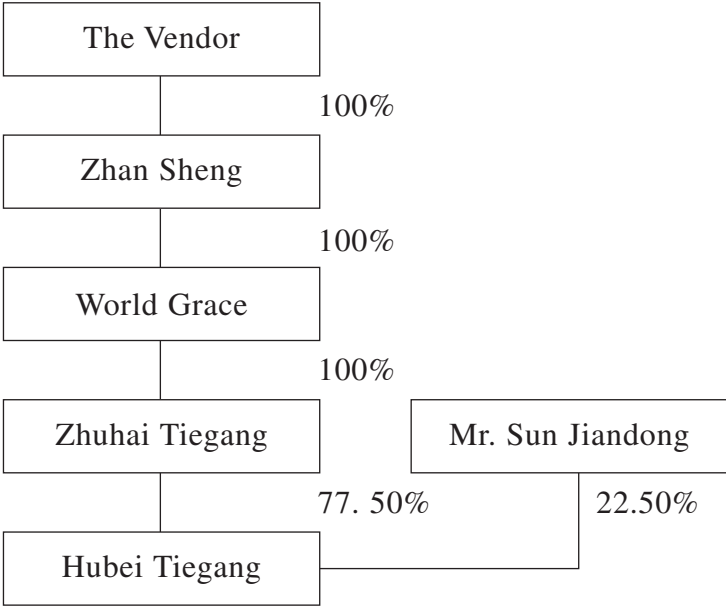
The Supplemental Agreement and the Revised Target Group Reorganization

Subsequent to the execution of the Sale and Purchase Agreement, it was agreed among the parties to the Sale and Purchase Agreement that, in order to streamline the Target Group Reorganization process and hence to speed up the progress of the Acquisition, the PRC Subsidiary (a company to be incorporated in the PRC with limited liability before the Completion) will be excluded from the Target Group and hence the proposed structure of the Target Group will be revised (the “**Revised Target Group Reorganization**”).

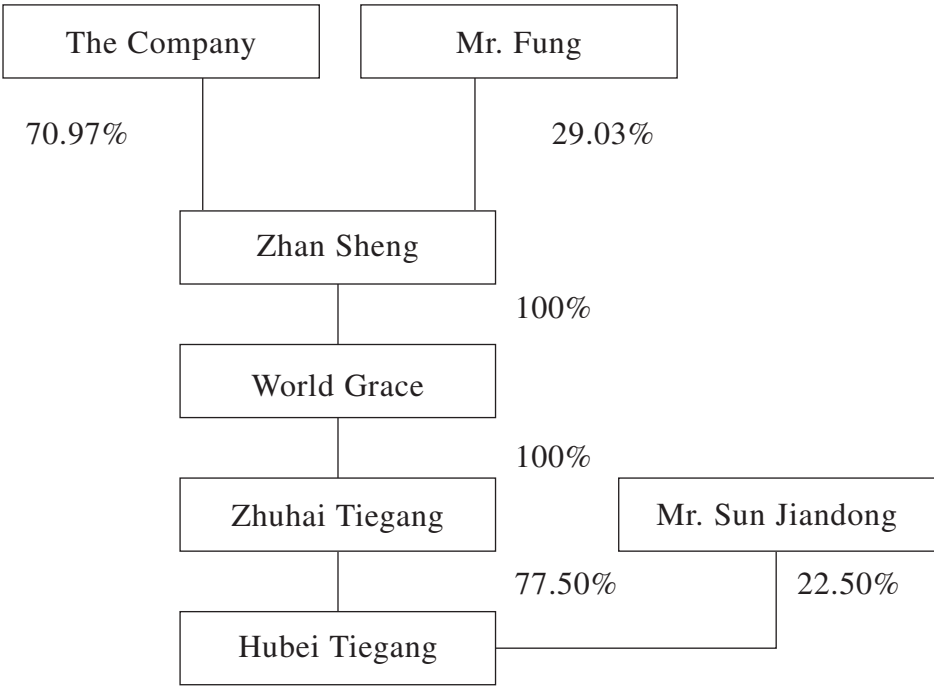
The parties to the Sale and Purchase Agreement entered into a supplemental agreement (the “**Supplemental Agreement**”) to the Sale and Purchase Agreement on 24 April 2012, pursuant to which they have mutually agreed, among other things, to effect the said revisions to the proposed structure of the Target Group, so that, upon Completion:

- (1) Zhan Sheng will hold the entire equity interests in World Grace;
- (2) World Grace will hold the entire equity interests in Zhuhai Tiegang; and
- (3) Zhuhai Tiegang will hold 77.50% equity interests in Hubei Tiegang and Mr. Sun Jiandong will hold the rest of 22.50% equity interests.

Set out below is the shareholding structure of the Target Group following the completion of the Revised Target Group Reorganization and immediately prior to the Completion:



Upon the Completion, the shareholding structure of the Target Group will now be as follow:



Pursuant to the Supplemental Agreement, conditions precedent primarily in connection with the PRC Subsidiary will be deleted while certain conditions precedent in relation to the shareholding of Hubei Tiegang (as disclosed in paragraph (iv) of the section headed “Condition precedent” of the 31 March Announcement) will be amended in accordance with the Revised Target Group Reorganization, including but not limited to the followings:

The existing condition as sets out in paragraph (iv)(a) of the section headed “Condition precedent” of the 31 March Announcement, which reads:

“World Grace (if applicable), Zhuhai Tiegang (if applicable), the PRC Subsidiary and Mr. Sun Jiandong and Mr. Fung having duly signed a contract for the transfer of the equity interests in Hubei Tiegang from Mr. Sun Jiandong and Mr. Fung to the PRC Subsidiary and a new memorandum of association of Hubei Tiegang (to the satisfaction of the Company in terms of form and substance) in accordance with the laws of the PRC;”

The above condition shall be amended to:

“World Grace (if applicable), Zhuhai Tiegang (if applicable) and Mr. Sun Jiandong and Mr. Fung having duly signed a contract for the transfer of 77.50% and 22.50% of the equity interests in Hubei Tiegang from Mr. Sun Jiandong and Mr. Fung to Zhuhai Tiegang and Mr. Sun Jiandong respectively and a new memorandum of association of Hubei Tiegang (to the satisfaction of the Company in terms of form and substance) in accordance with the laws of the PRC;”

The existing condition as sets out in paragraph (iv)(b) of the section headed “Condition precedent” of the 31 March Announcement, which reads:

“the transfer of 100% of the issued capital of Hubei Tiegang from Mr. Sun Jiandong and Mr. Fung (as Vendor) to the PRC Subsidiary (as Purchaser Company) for the consideration of RMB10,098,000 having been duly completed (which includes having obtained the necessary approvals from and having completed all the registration formalities with the relevant PRC authorities) whereby the PRC Subsidiary shall hold 100% of the issued capital of Hubei Tiegang upon completion of the transfer of equity interests and become the legal and beneficial owner of the entire issued capital of Hubei Tiegang.”

The above condition shall be amended to:

“the transfer of 77.50% and 22.50% of the issued capital of Hubei Tiegang from Mr. Sun Jiandong and Mr. Fung to Zhuhai Tiegang and Mr. Sun Jiandong respectively for the aggregate consideration of RMB10,098,000 having been duly completed (which includes having obtained the necessary approvals from and having completed all the registration formalities with the relevant PRC authorities) whereby Zhuhai Tiegang and Mr. Sun

Jiandong respectively shall hold 77.50% and 22.50% of the issued capital of Hubei Tiegang upon completion of the transfer of equity interests and become the legal and beneficial owners of the entire issued capital of Hubei Tiegang.”

The existing condition as sets out in paragraph (iv)(c) of the section headed “Condition precedent” of the 31 March Announcement, which reads:

“the Vendor having provided the Company with the documents certifying the ultimate legal and beneficial holding of the equity interests in Hubei Tiegang by the PRC Subsidiary in accordance with the laws and regulations of the PRC;”

The above condition shall be amended to:

“the Vendor having provided the Company with the documents certifying the ultimate legal and beneficial holding of the equity interests in Hubei Tiegang by Zhuhai Tiegang and Mr. Sun Jiandong as to 77.50% and 22.50% respectively in accordance with the laws and regulations of the PRC;”

The existing condition as sets out in paragraph (v) of the section headed “Condition precedent” of the 31 March Announcement, which reads:

“a PRC legal opinion having been provided to the Company by a PRC lawyer (to the satisfaction of the Company in terms of form and substance) certifying that the Target Group Reorganization have been duly conducted and concluded (referring to the series of incorporation and equity transfer matters (in ways that are satisfactory to the Company) which is to be duly performed and concluded by the Target Group prior to the completion of the transaction, including but not limited to the transfer of equity interests in the PRC Subsidiary and Hubei Tiegang).”

The above condition shall be amended to:

“a PRC legal opinion having been provided to the Company by a PRC lawyer (to the satisfaction of the Company in terms of form and substance) certifying that the Target Group Reorganization have been duly conducted and concluded (referring to the series of incorporation and equity transfer matters (in ways that are satisfactory to the Company) which is to be duly performed and concluded by the Target Group prior to the completion of the transaction, including but not limited to the transfer of equity interests in Hubei Tiegang).”

Further, apart from the above, certain representations and warranties given by the Vendor and the Guarantors primarily in connection with the PRC Subsidiary will also either be deleted or amended in accordance with the Revised Target Group Reorganization.

Other Amendments to the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the parties agreed that after the 2015 Distribution Date, if the Vendor fails to obtain all Consideration Shares because of falling short of the First Year Consideration Adjustment, the Second Year Consideration Adjustment and the Third Year Consideration Adjustment, the Company has the right to sell the Remaining Consideration Shares at a nominal consideration of HK\$1 to any appointee of the Company. The Vendor guarantees and undertakes to the Company that, in any event, the Vendor will abandon all rights to the Remaining Consideration Shares, and will irrevocably authorize the Company to sell the Remaining Consideration Shares to any appointee of the Company.

After discussion and negotiation with the Vendor and the Guarantors, the parties agreed to amend the existing arrangement as regards the treatment of the Remaining Consideration Shares. Pursuant to the Supplemental Agreement, the parties agreed that such Remaining Consideration Shares will be cancelled instead of being sold to the appointee of the Company in the event that the Consideration Adjustment cannot be met.

Save as and except the aforesaid material amendments, all the material terms and conditions of the Sale and Purchase Agreement remain unchanged and continue in full force and effect.

By Order of the Board
Sino Resources Group Limited
(**carrying on business in Hong Kong as Sino Gp Limited**)
Geng Ying
Chairman

Hong Kong, 24 April 2012

As at the date of this announcement, the executive Directors are Ms. Geng Ying, Mr. Gao Feng and Mr. Chiu Sui Keung and the independent non-executive Directors are Mr. Cheng Wing Keung Raymond, Mr. Williamson Lam and Mr. Wong Hoi Kuen.

* *for identification purpose only*