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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)

**THE FIFTH SUPPLEMENTAL AGREEMENT
IN RELATION TO THE ACQUISITION OF
70.97% ISSUED SHARE CAPITAL OF
ZHAN SHENG INVESTMENTS LIMITED
AND RESUMPTION OF TRADING**

Reference is made to the announcement of the Company dated 31 March 2012 in relation to the discloseable transaction regarding the Acquisition under the Sale and Purchase Agreement, the announcement dated 24 April 2012 in relation to the supplemental agreement to the Sale and Purchase Agreement entered into by the parties thereto, the announcement dated 31 May 2012 in relation to the extension of the Long Stop Date, the announcement dated 29 June 2012 in relation to the further extension of the Long Stop Date, the announcement dated 20 August 2012 in relation to the fourth supplemental agreement to the Sale and Purchase Agreement entered into by the parties thereto and the announcement dated 31 August 2012 in relation to the completion of the Sale and Purchase Agreement (the aforesaid announcements are collectively referred to as the “**Announcements**”).

The Board announces that on 11 December 2013, the Company and the Vendor, and Mr. Fung, Mr. Sun Hao, Ms. Wang and Mr. Lai (as Guarantors) have entered into the fifth supplemental agreement (the “**Fifth Supplemental Agreement**”) to amend certain terms and conditions of the Sale and Purchase Agreement (as amended or supplemented by the Supplemental Agreements). Details of the Fifth Supplemental Agreement are set out as follows.

Background

As stated in the Announcements, upon the Completion of the Sale and Purchase Agreement on 31 August 2012, the Company allotted and issued 251,833,333 Consideration Shares, 75,550,000 of which (representing 30% of the Consideration Shares) were released to the Vendor and the remaining 176,283,333 (representing 70% of the Consideration Shares) are held in escrow by the escrow agent(s) (“**Existing Escrow Shares**”) and will be released to the Vendor after the fulfillment of the Consideration Adjustment. Following the Completion, Zhan Sheng has become a 70.97% owned subsidiary of the Company and holds the entire issued share capital of World Grace, which in turn owns 77.5% equity interest in Hubei Tiegang via Zhuhai Tiegang (a wholly-owned subsidiary of World Grace).

Despite the Completion, certain rights and obligations thereunder shall survive the Completion, including but not limited to the Consideration Adjustment and the distribution of Consideration Shares. Pursuant to the Sale and Purchase Agreement, the Company needed to pay RMB10,098,000 to Zhuhai Tiegang as capital injection and the Company had injected a total of approximately US\$150,000 to Zhuhai Tiegang. However, due to the prudent approach recently adopted by the Company for the operation of coal trading business in response to the continuous depression in the business environment for the PRC coal trading market, such amount has not been injected into Hubei Tiegang for its business operation and development. As a result, Hubei Tiegang failed to achieve the target of audited distributable profits in association with the First Year Consideration Adjustment (as defined below) in the First Year and the Second Year Consideration Adjustment (as defined below) in the Second Year due to the lack of sufficient working capital, and the Existing Escrow Shares were not released to the Vendor at all. Based on the development plan from the management of the Target Group, there may be improvement in the prospect of the Target Group in line with the overall economic environment and there may be new revenue sources introduced; hence, for the continued progress of Hubei Tiegang’s business operations and development, the parties thereto have determined to make amendments to the Sale and Purchase Agreement after an arm’s length negotiations, including but not limited to amendments to the consideration and payment method, Consideration Adjustment and the distribution of Consideration Shares, and entered into the Fifth Supplemental Agreement.

In addition, since Mr. Yuen has transferred to Mr. Lai all the Vendor’s shares he held, the parties agreed that Mr. Yuen shall cease to be one of the Guarantors and a party to any of the Sale and Purchase Agreements, while Mr. Lai shall enter into the Fifth Supplemental Agreement as an additional Guarantor under the Sale and Purchase Agreement.

Principal Terms of the Fifth Supplemental Agreement

1. Change of a Guarantor under the Sale and Purchase Agreement

- (a) Mr. Yuen shall cease to be one of the Guarantors under the Sale and Purchase Agreement and no longer hold any rights or be bound by any obligations thereunder; and

- (b) Mr. Lai shall become one of the Guarantors under the Sale and Purchase Agreement and be entitled to and assume all the rights, obligations and liabilities of a Guarantor thereunder.

2. Consideration and Payment Method

Provisions in the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the aggregate consideration for the Acquisition payable by the Company to the Vendor shall be HK\$77,550,000, which will be satisfied in the following manner:

- (a) HK\$2,000,000 paid in cash by the Company to the Vendor upon signing of the memorandum of understanding on 5 December 2011; and
- (b) HK\$75,550,000 shall be paid by the issuance and allotment of 251,833,333 Consideration Shares at the issue price of HK\$0.30 per share of the Company to the Vendor at the Completion. 30% of the Consideration Shares (that is 75,550,000 Consideration Shares) will be issued, allotted and immediately released to the Vendor on the Completion Date, and 70% of the Consideration Share (that is 176,283,333 Consideration Shares) will be released to the Vendor after the fulfillment of Consideration Adjustment.

According to the Sale and Purchase Agreement, the Company, as the Purchaser, will be responsible for the payment of RMB10,098,000 to Zhuhai Tiegang as capital injection. Ms. Wang and Mr. Fung will re-invest the full amount of RMB10,098,000 in Hubei Tiegang for its business operation and development.

Amendments in the Fifth Supplemental Agreement

Pursuant to the Fifth Supplemental Agreement, the following amendments will be made to the aforesaid consideration and payment method:

Pursuant to the Sale and Purchase Agreement, the aggregate consideration for the Acquisition payable by the Company to the Vendor shall be HK\$95,000,000, which will be satisfied in the following manner:

- (a) HK\$2,000,000 paid in cash by the Company to the Vendor upon signing of the memorandum of understanding on 5 December 2011; and
- (b) Consideration Shares (“**Amended Consideration Shares**”):
 - (i) 75,550,000 Shares of the Company shall be issued, allotted and distributed to the Vendor at HK\$0.30 per share immediately on the Completion Date (equivalent to HK\$22,665,000 in aggregate);

- (ii) Existing Escrow Shares (i.e. 176,283,333 Shares of the Company) shall be issued and allotted to the Vendor at HK\$0.30 per share on the Completion Date and be held in escrow by the escrow agent(s), and the issue price of HK\$0.30 shall be adjusted to HK\$0.139 per Share (equivalent to approximately HK\$24,503,383 in aggregate calculated based on the adjusted issue price); and
- (iii) The remaining 183,716,667 Shares of the Company (the “**New Escrow Shares**”) shall be issued and allotted to the Vendor at HK\$0.139 per Share on the Effective Date and be held in escrow by the escrow agent(s) (equivalent to approximately HK\$25,536,617 in aggregate);

The Existing Escrow Shares in paragraph (ii) above and the New Escrow Shares in paragraph (iii), representing 360,000,000 Shares in total, are collectively referred to as the “**Total Escrow Shares**”. The Total Escrow Shares will be distributed to the Vendor upon the fulfillment of New Consideration Adjustment; and

- (c) Promissory Notes: the Purchaser shall issue to the Vendor the Promissory Notes of HK\$20,295,000 (subject to adjustment) on the Effective Date.

Details for the terms of the Promissory Notes are contained in the paragraph headed “Promissory Note” in paragraph 4 herein.

3. Other Material Terms and Conditions

The amendments to the material terms and conditions of the Sale and Purchase Agreement in relation to Consideration Adjustment, the Vendor’s undertakings and Consideration Shares are as follows:

Provisions in the Sale and Purchase Agreement

The principal terms and conditions of the Sale and Purchase Agreement in relation to Consideration Adjustment, the Vendor’s undertakings and Consideration Shares are as follows:

- (a) The Vendor undertakes and guarantees to the Company that:
 - (i) the audited distributable profit (the “**First Year Distributable Profit**”) after tax of Hubei Tiegang for the period commencing from the Completion Date and ending on 31 December 2012 (“**First Year**”) prepared in accordance with the International Financial Reporting Standards (including the Hong Kong Accounting Standards) will not be less than RMB9,000,000 (equivalent to approximately HK\$11,097,000) (the “**First Year Consideration Adjustment**”);

- (ii) the audited distributable profits after tax of Hubei Tiegang for the period commencing from 1 January 2013 and ending on 31 December 2013 (the “**Second Year**”) prepared in accordance with the International Financial Reporting Standards (including the Hong Kong Accounting Standards) will not be less than RMB16,000,000 (equivalent to approximately HK\$19,728,000) (the “**Second Year Consideration Adjustment**”); and
 - (iii) the audited distributable profits after tax of Hubei Tiegang for the period commencing from 1 January 2014 and ending on 31 December 2014 (the “**Third Year**”) prepared in accordance with the International Financial Reporting Standards (including the Hong Kong Accounting Standards) will not be less than RMB23,000,000 (equivalent to approximately HK\$28,359,000) (the “**Third Year Consideration Adjustment**”);
- (b) In respect of the Consideration Adjustment, the audited consolidated accounts of Hubei Tiegang for the First Year, the Second Year and the Third Year shall be prepared according to the International Financial Reporting Standards (including the Hong Kong Accounting Standards). The Vendor shall assist the auditors of the Company and any person designated by the Company for the preparation of the audited consolidated accounts of Hubei Tiegang for the First Year, the Second Year and the Third Year within three months after the respective yearends of the First Year, the Second Year and the Third Year.
- (c) If Hubei Tiegang is able to achieve the respective targets of audited distributable profits in association with the First Year Consideration Adjustment, the Second Year Consideration Adjustment and/or the Third Year Consideration Adjustment (as the case may be), the Company shall, through the escrow agent, deliver a total of 176,283,333 Shares to the Vendor in the following manner:

Distribution Dates	Number of Shares to be delivered	Percentage
Within one month from the date of issue of the audited consolidated accounts of Hubei Tiegang for the First Year (“ 2013 Distribution Date ”)	33,053,125	18.75%
Within one month from the date of issue of the audited consolidated accounts of Hubei Tiegang for the Second Year (“ 2014 Distribution Date ”)	58,761,111	33.33%
Within one month from the date of issue of the audited consolidated accounts of Hubei Tiegang for the Third Year (“ 2015 Distribution Date ”)	84,469,097	47.92%
Total:	176,283,333	100%

- (d) The Consideration Shares will be registered under the name of the Vendor on the Completion Date; whereas all original shares certificates of the 176,283,333 Shares shall be handed to the escrow agent of the Company in escrow, which shall only be released to the Vendor by the escrow agent of the Company under mutual instructions of the Company and the Vendor if and only if it is confirmed that Hubei Tiegang can achieve the respective targets of audited distributable profits in association with the First Year Consideration Adjustment, the Second Year Consideration Adjustment and the Third Year Consideration Adjustment. The Company and the Vendor will enter into an escrow agreement on or before the Completion Date.
- (e) If Hubei Tiegang fails to meet the respective targets of audited distributable profits in association with the First Year Consideration Adjustment, the Second Year Consideration Adjustment and/or the Third Year Consideration Adjustment, the Vendor shall only be delivered in the same proportion of the Consideration Shares as the achievement proportion for the respective year. For instance, if the First Year Distributable Profit hits only 50% of the First Year Consideration Adjustment, the Vendor shall only be delivered 50% of the 33,053,125 Shares on the 2013 Distribution Date.

- (f) For the portions falling short of the First Year Consideration Adjustment or the Second Year Consideration Adjustment, the Vendor can make up the shortfall in the Second Year or the Third Year (as the case may be). If such complement can be substantiated and confirmed in the audited consolidated accounts for the Second Year or the Third Year, the Vendor may be complemented with such portion of Consideration Shares on the 2014 Distribution Date or the 2015 Distribution Date (as the case may be). For instance, if the First Year Distributable Profit hits only 50% of the First Year Consideration Adjustment, the Vendor can make up RMB4,500,000 (i.e. the shortfall for the First Year Consideration Adjustment), and be complemented with 50% of the 33,053,125 Shares that would have been delivered in the First Year.
- (g) Notwithstanding the provisions of the Sale and Purchase Agreement, the Vendor guarantees and undertakes to the Company that, in any event, the Vendor will not hold 20% or more of the interest in the share capital of the Company, either allotted according to the Sale and Purchase Agreement or purchased from a third party on the market. If the Vendor holds 20% or more of the interest in the share capital of the Company pursuant to any provision of the Sale and Purchase Agreement, the Vendor agrees and undertakes to unconditionally give up his entitlement to the 20% or more of the interest in the share capital of the Company under the Sale and Purchase Agreement.
- (h) After the 2015 Distribution Date, if the Vendor obtains part but not 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 remaining Consideration Shares involved will be cancelled and will not be sold to any person designated by the Company.

Amendments in the Fifth Supplemental Agreement

Pursuant to the Fifth Supplemental Agreement, the principal terms and conditions on Consideration Adjustment, Vendor's undertakings and Consideration Shares shall be amended as follows:

- (a) The Vendor undertakes and guarantees to the Company that:
 - (i) the gross profit after tax of the Target Group recorded in the management accounts prepared in accordance with the International Financial Reporting Standards (including Hong Kong Accounting Standards) for the period from 1 January 2014 to 31 December 2014 (“**Year 2014**”) will not be less than HK\$10,000,000 (“**2014 Consideration Adjustment**”); and

- (ii) the gross profit after tax of the Target Group recorded in the management accounts prepared in accordance with the International Financial Reporting Standards (including Hong Kong Accounting Standards) for the period from 1 January 2015 to 31 December 2015 (“**Year 2015**”) will not be less than HK\$10,000,000 (“**2015 Consideration Adjustment**”);
- (b) In respect of the New Consideration Adjustment, the audited consolidated accounts and management accounts for Year 2014 and Year 2015 of the Target Group shall be prepared in accordance with the International Financial Reporting Standards (including Hong Kong Accounting Standards). The auditor of the Purchaser or its designated person shall complete the preparation of the audited consolidated accounts of the Target Group for Year 2014 and Year 2015 within three months upon the yearend of Year 2014 and Year 2015 respectively, and shall complete the preparation of the monthly management accounts of the Target Group within ten Business Days after each month end for Year 2014 and Year 2015.
- (c) If the Target Group can meet the respective target(s) of 2014 Consideration Adjustment and/or 2015 Consideration Adjustment, the Vendor will be entitled to 180,000,000 shares for Year 2014 (“**2014 Distributable Shares**”) and 180,000,000 shares for Year 2015 (“**2015 Distributable Shares**”), which the Company will distribute to the Vendor for the month within ten Business Days after the management accounts of the Target Group has been submitted (“**New Distribution Date**”). The amount of distributable Amended Consideration Shares is calculated as follows:

Year 2014

(Gross profit of the Target Group for the month/2014 Consideration Adjustment) x 180,000,000 shares

If the accumulated number of Shares distributed to the Vendor by the Company for Year 2014 in aggregate falls short of the number of 2014 Distributable Shares, the outstanding 2014 Distributable Shares can be made up anytime before the end of Year 2015. In any event, the number of Shares distributed to the Vendor by the Company for Year 2014 will not exceed the number of 2014 Distributable Shares.

Year 2015

(Gross profit of the Target Group for the month/2015 Consideration Adjustment) x 180,000,000 shares

If the accumulated number of Shares distributed to the Vendor by the Company for Year 2015 in aggregate falls short of the number of 2015 Distributable Shares, the treatment of the outstanding 2015 Distributable Shares will be subject to item (e) below. In any event, the Shares distributed to the Vendor by the Company for Year 2015 will not exceed the number of 2015 Distributable Shares.

- (d) 75,550,000 Consideration Shares and the Existing Escrow Shares (251,833,333 Consideration Shares in aggregate) shall be registered under the name of the Vendor or its nominee on the Completion Date of the transaction, and the New Escrow Shares shall be registered under the name of the Vendor or its nominee on the Effective Date. However, the original certificates of 360,000,000 Total Escrow Shares shall be delivered to the escrow agent for custody and distributed to the Vendor through the escrow agent by instruction jointly given by the Purchaser and the Vendor according to item (c) above. The escrow agreements to be set up between the Purchaser, the Vendor and the escrow agent in relation to the Existing Escrow Shares and the New Escrow Shares (the form and details of which to be agreed and approved by the escrow agent) will be signed on or before the Completion Date of the transaction and the Effective Date respectively.

- (e) Where:

- (i) the total gross profit as indicated in the audited consolidated accounts of the Target Group for Year 2014 is less than the total gross profit of the management accounts of the Target Group for Year 2014, the difference will be included in 2015 Consideration Adjustment since April 2015, which means the Shares distributable to the Vendor each month for the period from April 2015 to December 2015 will be calculated as follows:

(Gross profit of the Target Group for such month – difference in gross profit)/2015 Consideration Adjustment x 180,000,000 shares

If the difference in the gross profit is higher than (or equal to) the gross profit for the month, no Shares will be distributed for the month. The difference in gross profit for the month that is yet to be deducted will be brought forward to the following month. The above calculation will be used to cover the Target Group's gross profit in the subsequent months until the difference in gross profit is fully deducted.

- (ii) the total gross profit as indicated in the audited consolidated accounts of the Target Group for Year 2015 is less than the total gross profit of the management accounts of the Target Group for Year 2015, the difference will be payable to the Company by the Vendor in cash at the issue price (ie. HK\$0.139 per share) of the Total Escrow Shares additionally distributed by the Purchaser within ten Business Days after the audited consolidated accounts for Year 2015 has been submitted:

Shares additionally distributed to the Vendor x HK\$0.139 per share

- (f) After the audited consolidated accounts of the Target Group for Year 2015 has been submitted, and Shares are distributed to the Vendor by the Company pursuant to item (c) and (e) above (if applicable), in the case that the Vendor fails to obtain all the Total Escrow Shares due to the failure in reaching the target of the New Consideration Adjustment, the Purchaser and the Vendor agree and confirm that the Company has the right to sell the Total Escrow Shares not distributed to the Vendor (“Outstanding Escrow Shares”) to any designated person of the Company at a nominal consideration of HK\$1. The Vendor guarantees and undertakes to the Company that in any circumstances the Vendor shall waive all rights to the Outstanding Escrow Shares and irrevocably authorize the Company to sell the Outstanding Escrow Shares to any designated person of the Company based on Vendor’s contract note, Purchaser’s contract note, transfer documents, Vendor’s authorization and/or other documents as required by the Company endorsed in advance by the Vendor on its own.

4. Promissory Note

The Company undertakes to conditionally pay the initial principal amount of HK\$20,295,000 (subject to adjustment below) under the Promissory Note, in whole or in part, within two years upon the issue of the Promissory Note (“**Maturity Date**”) by following the instructions given by the holder (i.e. the Vendor) and the terms and conditions as stated below:

- (a) The Promissory Note shall not bear any interests.
- (b) At anytime before the Maturity Date, the Company may give the holder a written notice in advance of not less than three Business Days, specifying the date for early redemption and the redemption amount, for the early redemption of the entire or outstanding amount of part of the note.

(c) Adjustments

- (i) The initial principal amount of the Promissory Note will be adjusted with reference to the following indicators of the Target Group:
- respective targets in association with the 2014 Consideration Adjustment and 2015 Consideration Adjustment; and
 - The audited consolidated accounts of the Target Group for Year 2014 and Year 2015 prepared by the auditor of the Company or its designated person within three months upon the year end date of Year 2014 and Year 2015.
- (ii) If the aggregated gross profit as indicated in the audited consolidated accounts of the Target Group for Year 2014 and Year 2015 (“**Audited Gross Profit Aggregate for Both Years**”) is less than the aggregate targets in association with the New Consideration Adjustment, the Company will give to the holder a written notice in relation to the adjustment of the initial principal amount to the amount of the Audited Gross Profit Aggregate for Both Years (“**Adjusted Principal Amount**”) within three Business Days after the audited consolidated accounts for Year 2015 has been submitted. Such notice shall be final and conclusive evidence to the Adjusted Principal Amount and the holder shall not disagree thereon.
- (iii) After the adjustment and without prejudice to the early redemption by the Company of the amount, in whole or in part, as mentioned in item (b), the Company shall only have to duly redeem and fully repay the Adjusted Principal Amount of the note on the Maturity Date.
- (d) The Promissory Note shall not be transferable. The holder shall not request the Company to redeem and repay the entire or any partial amount under the Promissory Note before the Maturity Date.

5. Effective Conditions

The Fifth Supplemental Agreement shall be subject to the following precedent conditions:

- (a) The Company has obtained the relevant consent/approval/permit/waiver (if any) from the relevant regulatory institutions according to the Listing Rules, the laws and regulations and/or the requirements of relevant regulatory institutions that shall be obeyed by listing companies and has distributed announcements and circulars to the shareholders in relation to the amendments under the Fifth Supplemental Agreement and relevant transactions. The Board and the shareholders of the Company have passed and agreed by a resolution on the authorization to sign the Fifth Supplemental

Agreement, and have approved the Company to implement the amendments contemplated under the Fifth Supplemental Agreement and the relevant transactions thereunder, which include but are not limited to the amendments on the issue price and the number of Consideration Shares, and the granting of a special limit on the issue and distribution of the Amended Consideration Shares;

- (b) The Stock Exchange has approved the contents in the announcements and the circulars distributed to shareholders by the Company in relation to the Fifth Supplemental Agreement;
- (c) The Stock Exchange has approved the Company on the amendments of the issue price and the number of the Amended Consideration Shares;
- (d) The Listing Committee of the Stock Exchange has approved the due listing of and dealings in the New Escrow Shares and/or the Existing Escrow Shares (as the case may be); and
- (e) The Stock Exchange has not indicated that, the transactions as contemplated under the Fifth Supplemental Agreement will be handled as: (i) a “reverse takeover” as stated in Rule 14.06 (6) of the Listing Rules in and/or (ii) a new listing application as stated in Rule 14.54 to the Listing Rules by the Company.

If the above mentioned precedent conditions cannot be fulfilled on or before 31 January 2014, the Fifth Supplemental Agreement and any matters therein will be terminated automatically on that day unless the parties of the Fifth Supplemental Agreement agree in written form to extend the term.

Save for the above substantial amendments, all principal terms and conditions to the Sale and Purchase Agreement remain intact.

The Directors are of the view that, the terms and conditions to and the transactions contemplated under the Fifth Supplemental Agreement are fair and reasonable and in the interest of the Company and Shareholders as a whole.

New Escrow Shares

The Existing Escrow Shares were issued and allotted to the Vendor on the Completion Date and delivered to the escrow agent for custody. Pursuant to the Fifth Supplemental Agreement, the issue price will be adjusted from HK\$0.30 per Share to HK\$0.139 per Share on the Effective Date. The New Escrow Shares will be issued at HK\$0.139 per Share on the Effective Date, which represent:

- (a) no premium or discount over the closing price of HK\$0.139 per share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 7.33% over the average closing price of HK\$0.15 per share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (c) a premium of approximately 1.02% over the average closing price of HK\$0.1376 per share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The New Escrow Shares to be issued and allotted represent approximately 5.99% of the existing issued share capital of the Company as at the date of this announcement and represent approximately 5.65% of the Company's issued share capital as enlarged by the issue of New Escrow Shares. The New Escrow Shares will be issued pursuant to the Specific Mandate to be granted by the Shareholders of the Company at the EGM.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the New Escrow Shares. The New Escrow Shares, when issued on the Effective Date, will rank *pari passu* in all respects with the existing Shares in issue.

Changes in Shareholding Structure of the Company

The following illustrates the Company's shareholding structure, assuming there is no further change to the share capital of the Company: (i) as at the date of this announcement; and (ii) immediately upon the issue and allotment of the New Escrow Shares:

Shareholders	As at the date of this announcement		Immediately after the issue of the New Escrow Shares	
	<i>Number of Shares</i>	<i>Approx %</i>	<i>Number of Shares</i>	<i>Approx %</i>
The Vendor	176,333,333 <i>(Note 1)</i>	5.75	360,050,000 <i>(Note 2)</i>	11.07
Other public	2,891,512,400	94.25	2,891,512,400	88.93
Total	3,067,845,733	100.00	3,251,562,400	100.00

Note:

1. including 176,283,333 Existing Escrow Shares;
2. including 360,000,000 Total Escrow Shares.

Listing Rules Implication

As at the date of this announcement, Mr. Fung, a director of Zhan Sheng, holds 29.03% in Zhan Sheng and Ms. Wang holds 22.5% in Hubei Tiegang. Pursuant to Chapter 14A to the Listing Rules, Mr. Fung and Ms. Wang are the connected persons of the Company whose guarantee provided under the Fifth Supplemental Agreement constitutes a financial assistance to the Company under Chapter 14A of the Listing Rules without the pledge over the assets or relevant financial assets of the Company. Pursuant to Chapter 14A to the Listing Rules, the above said financial assistance is exempted from the requirements on reporting, announcement and independent Shareholder's approval.

As at the date of this announcement, Mr. Lai is an Independent Third Party.

As the applicable percentage ratio exceeds 5% but less than 25% under the Listing Rules calculated based on the total consideration of HK\$95,000,000 of the Acquisition as adjusted by the Fifth Supplemental Agreement, the Acquisition as adjusted by the Fifth Supplemental Agreement constitutes a discloseable transaction for the Company under Chapter 14 to the Listing Rules.

The EGM

The Company will convene and hold the EGM for the consideration and approval at the shareholder's discretion on the resolutions to approve the Specific Mandate for the issue and allotment of the New Escrow Shares. A circular containing, among others, (i) the details of the Fifth Supplemental Agreement; (ii) the EGM notice; and (iii) further information on the Specific Mandate will be dispatched to the shareholders in accordance with the Listing Rules. The resolutions proposed at the EGM will be taken by way of poll pursuant to the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 12 December 2013, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on 13 December 2013.

DEFINITIONS

“Acquisition”	the acquisition by the Company of 70.97% of the entire share capital of Zhan Sheng pursuant to the Sales and Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and Sunday) on which banks in Hong Kong are open for business
“BVI”	the British Virgin Islands
“Company”	Sino Resources Group Limited, the shares of which are listed on the main board of the Stock Exchange (Stock code: 223)
“Completion”	the completion of the Sale and Purchase Agreement in accordance with its terms
“Completion Date”	the third Business Day after the fulfillment or waiver (as the case may be) of the conditions precedent of the Sale and Purchase Agreement (or such other date as may be agreed between the parties to the Sale and Purchase Agreement), which was 31 August 2012
“Consideration Adjustment”	the First Year Consideration Adjustment, the Second Year Consideration Adjustment and the Third Year Consideration Adjustment under the Sale and Purchase Agreement

“Consideration Shares”	251,833,333 new Shares to be allotted and issued to the Vendor in partial settlement of the consideration pursuant to the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Effective Date”	the third (3rd) Business Day after the fulfillment (or waiver) of all the conditions precedent of the Fifth Supplemental Agreement, or such other date as may be agreed in writing among the parties thereto
“Group”	the Company and its subsidiaries
“Guarantor(s)”	the guarantor(s) under the Sale and Purchase Agreement
“Hubei Tiegang”	湖北鐵港貿易有限公司(Hubei Tiegang Trading Company Limited*), a company incorporated in the PRC with limited liability
“Independent Third Party(ies)”	third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company
“Last Trading Day”	11 December 2013
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fung”	Mr. Fung Denny Kin Tak, owns 29.03% of Zhan Sheng’s equity interests and is the director of Zhan Sheng as at the date of this announcement
“Mr. Lai”	Mr. Lai Kin Kong Nelson, an Independent Third Party who is one of the shareholders of the Vendor as at the date of this announcement
“Mr. Yuen”	Mr. Yuen Yuk Piu, an Independent Third Party as at the date of this announcement

“Ms. Wang”	王輝(Ms. Wang Hui), owns 22.5% of Hubei Tiegang’s equity interests as at the date of this announcement
“New Consideration Adjustment”	2014 Consideration Adjustment and 2015 Consideration Adjustment
“Promissory Note”	The Promissory Note with initial principal amount of HK\$20,295,000 (subject to adjustment) to be issued to the Vendor by the Company on the Effective Date pursuant to the Fifth Supplemental Agreement
“PRC”	the People’s Republic of China
“Sale and Purchase Agreement”	the agreement dated 31 March 2012 entered into among the Company, the Vendor and the guarantors, as amended and supplemented by any such Supplemental Agreements
“Shares”	ordinary share(s) with par value HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of Shares
“Specific Mandate”	Specific Mandate to be granted at the EGM convened by the Company to the Directors to allot, issue and otherwise deal with the New Escrow Shares, i.e. a total of 183,716,667 shares
“Supplemental Agreements”	four supplemental agreements (dated 24 April 2012, 31 May 2012, 29 June 2012 and 20 August 2012 respectively)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Zhan Sheng, World Grace, Zhuhai Tiegang and Hubei Tiegang
“Vendor”	Advanced Elation Holdings Limited, a company incorporated in the BVI with limited liability and as at the date of this announcement, Mr. Lai and Mr. Sun Hao altogether own 100% of its equity interests
“World Grace”	World Grace Enterprises Limited (世悦企業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Zhan Sheng

“Zhan Sheng”	Zhan Sheng Investments Limited (展昇投資有限公司), a company incorporated in the BVI with limited liability, which shall become a subsidiary which is owned as to 70.97% by the Company after the Completion
“Zhuhai Tiegang”	珠海鐵港商貿有限公司(Zhuhai Tiegang Commercial Trading Company Limited*), a company to be incorporated in the PRC with limited liability and as a wholly-owned subsidiary of World Grace
%	percentage

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

Hong Kong, 12 December 2013

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

* *for identification purpose only*