

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Dejin Resources Group Company Limited (the "Company"), you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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DEJIN RESOURCES GROUP COMPANY LIMITED

德金資源集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1163)

- (1) PROPOSED ALTERATION OF THE TERMS OF
THE CONVERTIBLE NOTES;**
 - (2) PROPOSED REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES;**
 - (3) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;**
 - (4) RE-ELECTION OF DIRECTORS;**
- AND**
- (5) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



高銀融資有限公司

GOLDIN FINANCIAL LIMITED

A letter from the Board is set out on pages 5 to 24 of this circular. A letter from the independent financial adviser to the independent board committee and the independent shareholders of the Company is set out on pages 26 to 34 of this circular.

A notice convening a special general meeting of the Company (the "SGM") to be held on Saturday, 29 March 2014 at 11:00 a.m. at Jasmine Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong is set out on pages 38 to 42 of this circular. A proxy form for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same at the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof should you so wish.

13 March 2014

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 3 June 2013 at which the Shareholders had approved, among other matters, the Current General Mandate
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Dejin Resources Group Company Limited (stock code: 1163), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conversion Share(s)”	new Share(s) to be issued by the Company upon the exercise of the conversion rights under the Convertible Notes by the holders thereof
“Convertible Notes”	the Hebei Convertible Notes and the Shandong Convertible Notes
“Current General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at AGM, pursuant to which a maximum of 69,161,996 new Shares may fall to be allotted and issued, representing 20% of the issued Shares of the Company at the date of the passing of such ordinary resolution
“Director(s)”	the directors of the Company

DEFINITIONS

“Eligible Participants”	the individuals or entities who or which may participate in the Share Option Scheme including any eligible employees, non-executive director of any member of the Group, shareholders, agents, advisers, consultants, partners, business associates, suppliers, customers of any member of the Group, who in the absolute discretion of the Board have contributed to the Group
“Group”	the Company and its subsidiaries
“Hebei CN Supplemental Deed”	the supplemental deed dated 24 October 2013 and executed by the Company in relation to the alteration of the terms of the Hebei Convertible Notes under the Proposed Alteration
“Hebei Convertible Notes”	the 0% convertible notes due 2013 in the principal amount of HK\$5,920,000,000 issued by the Company on 13 May 2010 in relation to the acquisition of gold mines by the Group in Hebei Province as announced on 27 September 2009
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate
“Independent Financial Adviser” or “Goldin Financial”	Goldin Financial Limited, a corporation licensed to carry out business in type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Current General Mandate
“Independent Shareholders”	any Shareholders other than the controlling Shareholders and their respective associates or, if there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates

DEFINITIONS

“Latest Practicable Date”	11 March 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Conversion Price”	the new conversion price of HK\$0.30 per Conversion Share (subject to adjustment) for the conversion of the Convertible Notes into Shares under the Proposed Alteration
“New General Mandate”	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
“Noteholder(s)”	registered holder(s) of the Convertible Notes
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Proposed Alteration”	the proposed alteration to the terms of the Convertible Notes pursuant to which: (i) the maturity date of the Convertible Notes will be extended for 3 years from 13 May 2013 to 13 May 2016; and (ii) the conversion price of the Convertible Notes will be amended from HK\$24 per Conversion Share to the New Conversion Price
“Proposed Scheme Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the SGM
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted by the Board under the Share Option Scheme to subscribe up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held for the Shareholders (and the Independent Shareholders, as the case may be) to approve, among other things, the Supplemental Deeds and the Proposed Alteration, the grant of New General Mandate, the Proposed Scheme Refreshment and the re-election of Directors
“Shandong CN Supplemental Deed”	the supplemental deed dated 24 October 2013 and executed by the Company in relation to the alteration of the terms of the Shandong Convertible Notes under the Proposed Alteration
“Shandong Convertible Notes”	the 0% convertible notes due 2013 in the principal amount of HK\$1,030,000,000 issued by the Company on 13 May 2010 in relation to the acquisition of gold mines by the Group in Shandong Province as announced on 27 September 2009
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by resolution of all the Shareholders on 20 May 2011
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deeds”	the Hebei CN Supplemental Deed and the Shandong CN Supplemental Deed
“Takeovers Code”	The Code on Takeover and Mergers of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



DEJIN RESOURCES GROUP COMPANY LIMITED

德金資源集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1163)

Executive Directors:

Mr. Cheung Wai Yin, Wilson
Mr. Tian Lidong
Mr. Chan Ka Wing
Mr. Tsai Wallen
Mr. Mow Tai Loy
Mr. Lau Chi Yan, Pierre
Mr. Zhao Zhibin

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

Unit D, 4/F., Sing Ho Finance Building
166-168 Gloucester Road
Wanchai, Hong Kong

Independent non-executive Directors:

Mr. Fu Wing Kwok, Ewing
Ms. Pang Yuen Shan, Christina
Ms. Yeung Mo Sheung, Ann
Mr. Ma Ning

13 March 2014

To the Shareholders:

Dear Sir or Madam,

- (1) PROPOSED ALTERATION OF THE TERMS OF
THE CONVERTIBLE NOTES;
(2) PROPOSED REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES;
(3) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;
AND
(4) RE-ELECTION OF DIRECTORS**

1. INTRODUCTION

On 24 October 2013, the Company executed the Hebei CN Supplemental Deed and the Shandong CN Supplemental Deed respectively in order to amend certain terms of the Convertible Notes.

The Board also proposed to refresh the general mandate to allot and issue shares granted to the Directors at the AGM, and to refresh the Scheme Mandate Limit.

LETTER FROM THE BOARD

In accordance with Bye-laws no. 86(2)(b), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board. Any Director so appointed by the Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting. The Board therefore would also propose resolutions at the SGM to re-elect Mr. Chan Ka Wing, Mr. Tsai Wallen, Mr. Ma Ning and Ms. Yeung Mo Sheung, Ann respectively at the SGM.

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Proposed Alteration; (ii) the Proposed refreshment of the Current General Mandate; (iii) the proposed refreshment of the Scheme Mandate Limit; (iv) the proposed re-election of Directors and (v) a notice of the SGM.

2. THE PROPOSED ALTERATION

Background

On 16 September 2009 (as supplemented on 25 January 2010 and 26 March 2010), the Group entered into (i) the sale and purchase agreement with Silver Mark Enterprises Limited as vendor in relation to the acquisition of 1 issued share in Goldpic Investments Limited and all the debts due by it to the vendor at an aggregate consideration of HK\$6,350 million, and (ii) the sale and purchase agreement with Wingem Investments Limited as vendor in relation to the sale and purchase of 10,000 issued shares in Mark Unison Limited and all the debts due by it to the vendor at an aggregate consideration of HK\$1,060 million. As part of the consideration for the acquisitions, the Company has created and issued the Hebei Convertible Notes and the Shandong Convertible Notes on 13 May 2010. The Convertible Notes bear no interest and would fall due on the third anniversary of the date of issue of the Convertible Notes (i.e. 13 May 2013). The conversion price of the Convertible Notes in effect is HK\$24 per Share (as announced dated 9 January 2013). As at the Latest Practicable Date, the total outstanding principal amount of the Convertible Notes is HK\$843,000,000.

The Proposed Alteration

The Company has proposed to: (i) extend the maturity date of the Convertible Notes for a further three years from 13 May 2013 to 13 May 2016; and (ii) amend the conversion price of the Convertible Notes from HK\$24 to HK\$0.30 per Share. The Board wishes to inform the Shareholders and potential investors that up to the Latest Practicable Date, there were 22 Noteholders who have all given the irrevocable undertakings consenting to the Proposed Alteration.

LETTER FROM THE BOARD

Set out below is the list of the Noteholders as at the Latest Practicable Date:

Name of Noteholders	Outstanding principal amount of the Convertible Notes held
Perfect Direct Limited	HK\$339,000,000
Chen Jian Dong	HK\$114,000,000
Silver Bright Investments Limited	HK\$55,000,000
Peng Chun Chao	HK\$45,000,000
Million Winds Group Limited	HK\$40,000,000
Zeng Xiang Wei	HK\$36,000,000
Metrolink Holdings Limited	HK\$35,000,000
People Honour Limited	HK\$29,000,000
Orochi Capital Limited	HK\$20,000,000
Qin Jin	HK\$17,000,000
Sun Wen Hua	HK\$17,000,000
UA Success Limited	HK\$16,000,000
Meng Xiu Lan	HK\$16,000,000
Gu Jin Ming	HK\$14,000,000
Ding Feng	HK\$12,000,000
Wang Jie	HK\$11,000,000
王史波	HK\$10,000,000
Wang Fei Yang	HK\$6,000,000
Ace Treasure Investment Limited	HK\$5,000,000
New Heaven Investments Limited	HK\$3,000,000
Ocean Top Investments Limited	HK\$2,000,000
Chow Kuen Fong	HK\$1,000,000
	HK\$843,000,000

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, each of the Noteholders and their respective ultimate beneficial owners (where applicable) is a third party independent of the Company and its connected persons (within the meaning of the Listing Rules) and is not interested in the issued Shares of the Company.

On 24 October 2013, the Company executed the Hebei CN Supplemental Deed and the Shandong CN Supplemental Deed respectively in respect of the Convertible Notes to effect the Proposed Alteration, pursuant to which: (i) the maturity dates of the Convertible Notes will be extended for 3 years from 13 May 2013 to 13 May 2016; and (ii) the conversion price for the conversion of the Convertible Notes into Conversion Shares will be amended from HK\$24 to HK\$0.30 per Share.

Apart from the Proposed Alteration, all other terms and conditions of the Convertible Notes shall remain intact and unchanged.

LETTER FROM THE BOARD

The New Conversion Price

As at the Latest Practicable Date, the outstanding aggregate principal amount of the Convertible Notes is HK\$843,000,000 convertible into an aggregate of 35,125,000 Conversion Shares at the conversion price of HK\$24 per Conversion Share, representing approximately (i) 8.46% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 7.80% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the share capital of the Company).

The New Conversion Price of HK\$0.30 per Conversion Share entitles the Noteholders to convert the Convertible Notes into an aggregate of 2,753,333,333 Conversion Shares upon exercise in full of the conversion rights attached thereto, representing approximately (i) 563.50% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 86.90% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the share capital of the Company). According to the existing terms of the Convertible Notes, the Noteholder shall have the right to convert the Convertible Notes into Shares provided that (i) any conversion of the Convertible Notes does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Noteholder which exercises the conversion rights (or any party acting in concert with it); and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any one time in compliance with the Listing Rules.

Resolution will be proposed at the SGM for the granting of a specific mandate, under which the Conversion Shares will be allotted and issued.

The New Conversion Price of HK\$0.3 per Share represents:

- (i) a discount of approximately 10.4% to the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on 24 October 2013, being the date of the Supplemental Deeds;
- (ii) a discount of approximately 4.5% to the average of the closing prices of HK\$0.314 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 24 October 2013;
- (iii) a discount of approximately 3.2% to the closing price of HK\$0.31 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (iv) a discount of approximately 94.7% to the unaudited net asset value per Share of about HK\$5.67 as at 30 June 2013.

The New Conversion Price is subject to adjustments pursuant to the existing terms of the Convertible Notes upon the occurrence of consolidation or subdivision of Shares, capitalisation issues, capital distribution, rights issues and issue of new Shares or convertible securities at issue or conversion price at more than 20% discount to the then market price per Share.

LETTER FROM THE BOARD

Conditions precedent to the Proposed Alteration

The Supplemental Deeds are conditional, and the Proposed Alteration will become effective, upon the fulfillment of the following conditions precedent:

- (1) the Stock Exchange granting its approval for the Proposed Alteration;
- (2) the passing of an ordinary resolution by the independent Shareholders at the SGM to approve the Supplemental Deeds and the transactions contemplated thereunder (including the issue of the Conversion Shares);
- (3) the Stock Exchange granting approval for the listing of, and permission to deal, in the Conversion Shares; and
- (4) all necessary approval and consents for the Proposed Alteration having been obtained.

None of the above conditions could be waived. The Company will use its best effort to procure the fulfillment of the above conditions as soon as practicable. Shareholders shall note that the above conditions may or may not be fulfilled and hence the Proposed Alteration may or may not be materialised. Shareholders and potential investors shall exercise caution when dealing in the securities of the Company. As at the Latest Practicable Date, none of the above condition has been fulfilled.

Subject to the fulfillment of the conditions precedent as disclosed above, the Supplemental Deeds will only be binding on the Company and the Noteholders.

An application for the listing of, and permission to deal in, the Conversion Shares will be made by the Company to the Stock Exchange.

LETTER FROM THE BOARD

Principal terms of the Convertible Notes

For ease of reference, set out below are the principal terms of the Convertible Notes which remain unaffected by the Proposed Alteration:

Issuer	:	The Company.
Outstanding principal amount	:	HK\$807,000,000 in respect of Hebei Convertible Notes. HK\$36,000,000 in respect of Shandong Convertible Notes.
Redemption	:	The Company may at any time before the maturity date, by serving at least ten (10) days' prior written notice on the Noteholder with the total amount proposed to be redeemed from such holder specified therein, redeem the Convertible Notes (in whole or in part) at 100% to the principal amount of the part of the Convertible Notes to be redeemed. Any amount of the Convertible Notes which remains outstanding on the maturity date shall be redeemed at 100% of its then outstanding principal amount. Any amount of the Convertible Notes which is redeemed by the Company will be forthwith cancelled.
Interest	:	Nil.
Transferability	:	The Convertible Notes may be assigned or transferred to any transferee provided that such transferee may not be a connected person of the Company (as defined in the Listing Rules). The Convertible Notes may be assigned or transferred in whole or in part (in whole multiples of HK\$1,000,000) of its outstanding principal amount.

LETTER FROM THE BOARD

- Conversion : Provided that (i) any conversion of the Convertible Notes does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Noteholder when exercises the conversion rights (or any party acting in concert with it), whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes (if applicable, including any Shares acquired by the parties acting in concert with the holder(s) of the Convertible Notes) represents 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) or more of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any one time in compliance with the Listing Rules, the Noteholder shall have the right at any time from the date of issue of the Convertible Notes up to the maturity date to convert the whole or part of the outstanding principal amount of the Convertible Notes registered in its name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Notes is less than HK\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Notes may be converted.
- Adjustment to conversion price : The conversion price is subject to adjustments upon the occurrence of consolidation or subdivision of Shares, capitalisation issues, capital distribution, rights issues and issue of new Shares or convertible securities at issue or conversion price at more than 20% discount to the then market price per Share ("**Market Price**", being the average of the closing price of one Share on the Stock Exchange for the last five dealing days of the Stock Exchange on which dealings in the Shares on the Stock Exchange took place ending on the last dealing day preceding the day on or as of which the Market Price is to be ascertained).

LETTER FROM THE BOARD

Voting rights : The Noteholder will not be entitled to attend or vote at any general meetings of the Company by reason only of it being the holder of the Convertible Notes.

Ranking : The payment obligations of the Company under the Convertible Notes 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.

The Conversion Shares issued upon conversion of the Convertible Notes will in all respects rank pari passu with the Shares in issue on the date of allotment and issue of such Conversion Shares and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant conversion date.

Listing : The Convertible Notes will not be listed on the Stock Exchange or any other stock exchange.

Lock-up : There is no lock-up restriction on subsequent transfer of the Conversion Shares.

LETTER FROM THE BOARD

Effect on shareholding structure on the Company

The below table shows the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately upon exercise by the Noteholders of the conversion rights attached to the Convertible Notes at the New Conversion Price in full (assuming no further Shares are issued or repurchased by the Company other than the Conversion Shares to be issued upon the exercise of the conversion rights):

Name of Shareholders	As at the Latest Practicable Date	Approximate %	Immediately upon exercise of the conversion rights attached to the Convertible Notes in full (Note 1)	Approximate %
Innovation Union Investments Limited (Note 2)	57,000,000	13.74%	57,000,000	1.80%
Mr. Cheung Wai Yin, Wilson (Note 3)	2,675,000	0.64%	2,675,000	0.08%
Mr. Tian Lidong (Note 4)	7,500,000	1.81%	7,500,000	0.24%
Noteholders (Note 5)	–	–	2,753,333,333	86.90%
Others	347,794,983	83.81%	347,794,983	10.98%
Total	414,969,983	100%	3,168,303,316	100%

Notes:

- As at the Latest Practicable Date, the Company had 14,650,000 outstanding Options granted to certain Directors and employees of the Company, carrying rights to subscribe for 14,650,000 Shares. Save as disclosed and for the Convertible Notes, the Company does not have any other outstanding warrants, derivatives or securities convertible into Shares as at the Latest Practicable Date. The shareholding structure shown in the above table has assumed (i) no exercise of the aforesaid Options, and (ii) no other change in the issued share capital and shareholding structure of the Company from the Latest Practicable Date.
- To the best knowledge, information and belief of the Directors, Innovation Union Investments Limited, is a controlled corporation of Mr. Kang Shifeng.
- Mr. Cheung Wai Yin, Wilson (“**Mr. Cheung**”) is a Director beneficially interested in 175,000 Shares. He is also deemed to be interested in 2,500,000 Shares held by Knight Asia Investments Limited, a controlled corporation of Mr. Cheung pursuant to the SFO.
- Mr. Tian Lidong (“**Mr. Tian**”) is a Director and is deemed to be interested in 7,500,000 Shares held by Sino Flourish Investments Limited, a controlled corporation of Mr. Tian pursuant to the SFO.

LETTER FROM THE BOARD

5. This is for illustrative purpose only. Upon full conversion of the Convertible Notes at the New Conversion Price, a total of 2,753,333,333 Conversion Shares will be issued, representing approximately (i) 6.64 times of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 86.90% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the share capital of the Company). According to the existing terms of the Convertible Notes, the Noteholder shall have the right to convert the Convertible Notes into Conversion Shares provided that (i) any conversion of the Convertible Notes does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Noteholder which exercises the conversion rights (or any party acting in concert with it); and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any one time in compliance with the Listing Rules.

Reasons and basis for the Proposed Alteration

The Proposed Alteration was arrived at after arm's length negotiations between the Company and each of the Noteholders. The Board believes that the Proposed Alteration effectively allows the Company to refinance the debts under the Convertible Notes for a further 3 years with the New Conversion Price providing incentive for the Noteholders to exercise the conversion rights attached thereto, thereby enabling the Company to retain the funds for any potential investments or working capital. The uncertainty on the Company's ability to continue as a going concern would be temporarily eased.

The Board considers the extension of the maturity date of the Convertible Notes for a further 3 years is fair and reasonable for the reasons that: (i) the Company is in a net liability position and there may be capital requirements for the operation of the business of the Company in the near future to generate income, hence the Board expects that the Company will not have enough cash to redeem the Convertible Notes in the next few months or within the forthcoming financial year; (ii) the extension of 3 years of the maturity date would give reasonable time for the Group to improve its business performance and financial position; and (iii) such extension is the result of commercial negotiations with the Noteholders at arm's length basis which the Noteholders also consider reasonable and agreeable.

The Board also considers that the New Conversion Price of HK\$0.30 per Conversion Share is fair and reasonable, given the fact it reflects the recent market performance of the Shares with slight discounts to the prevailing market prices of the Shares as disclosed in the section headed "The New Conversion Price" above, hence providing adequate attractiveness to the Noteholders in agreeing with the Proposed Alteration.

The Board also noted that the New Conversion Price will bring dilution effect on the existing shareholding structure of the Company upon exercise in full of the conversion rights attached to the Convertible Notes. Based on the existing conversion price of HK\$24.00 per Share, the Noteholders would be entitled to convert into 35,125,000 Shares upon exercising of the conversion rights attached to the Convertible Notes in full, representing approximately 7.80% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. Upon the Proposed Alteration becoming effective, the New Conversion price of HK\$0.30 per

LETTER FROM THE BOARD

Share will entitle the Noteholders to convert into a maximum of 2,753,333,333 Shares, representing approximately 86.9% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (subject to the restrictions on conversion as described in note 5 of the section headed "Effect on shareholding structure on the Company" above relating to Takeovers Code implication and public float requirement). Thus the dilution effect on the shareholding structure of the Company brought by the Proposed Alteration may be material. However, taking into account (a) the benefits of the Proposed Alteration as discussed above in this section and its positive effect on the financial position of the Group; (b) the terms of the Proposed Alteration were negotiated on an arm's length basis and are fair and reasonable so far as Shareholders are concerned; (c) the New Conversion Price provides incentive for the Noteholders to agree with the extension of maturity date; and (d) save for the dilution effect on the shareholding structure of the Company which might be caused upon full exercise of the conversion rights attached to the Convertible Notes, there will not be other material adverse impact on the existing business and operation of the Group. On a balance of the benefits of the Proposed Alteration and its possible drawback, the Board believes that the dilution effect is justified and that the terms of the Proposed Alteration are fair and reasonable and that the Proposed Alteration is in the interests of the Company and the Shareholders as a whole.

As disclosed in the announcement of the Company dated 1 November 2013, each of the Noteholders has stated in his/its irrevocable undertakings given to the Company, among other matters, that: (i) he/it irrevocably and unconditionally agrees to the Proposed Alteration; (ii) he/it shall waive any rights to claim against the Company for all damages and losses up to the time required by the Company to effect the Proposed Alteration; and (iii) he/it shall vote for the proposals suggested by the Company of any amendments of the terms or adoption of new terms of the Convertible Notes.

The Proposed Alteration was approved by the unanimous consent from all Directors on 30 August 2013. However, as the Company was not able to obtain the consent to the Proposed Alteration from all the Noteholders at that time, the Company had to secure necessary funds (i.e. by conducting the placing of new Shares in late August 2013) to cater for the possible claim by the non-consenting Noteholder before the Supplemental Deeds were executed and announced on 24 October 2013. Since then, the Company has been making continuing efforts to solicit the consent from the remaining non-consenting Noteholder (who finally gave his consent in early March 2014), spending time in finalizing the annual results of the Company for the year ended 31 December 2013 (the "**2013 Results**") and discussing with the auditors how the Convertible Notes are to be accounted for and how their audit opinion is to be issued for the 2013 Results. As at the Latest Practicable Date, the auditors of the Company have yet to confirm how the audit opinion for the 2013 Results will be issued.

Notwithstanding the irrevocable undertakings obtained, the Company has received a copy of letter purportedly sent by one of the Noteholders namely, Perfect Direct Limited ("**Perfect Direct**") by email only on or about 30 August 2013 raising concern about the delay by the Company to effect the Proposed Alteration and

LETTER FROM THE BOARD

imposing a deadline for the Company to make the relevant announcement. Subsequently, in early September 2013 Perfect Direct sent a copy of a statutory demand by email only to the Directors demanding for payment of the Convertible Notes held by it in the principal amount of HK\$339,000,000. To the best information, knowledge and belief of the Directors, the director of Perfect Direct is the brother of Mr. Mow Tai Loy, a Director of the Company.

It is not entirely clear as to the purpose of sending a copy of the statutory demand to the Company by Perfect Direct in view of its request for the Company to proceed with the Proposed Alteration without delay. The Company has not received any document from Perfect Direct (including the statutory demand) which alleges or claims that the irrevocable undertaking given by it is revoked or cancelled. In the circumstances, the Board considers that given the irrevocable nature of the undertakings, the consent previously given by Perfect Direct to the Proposed Alteration could be relied upon by the Company and there is legal argument that the irrevocable undertaking given by the Noteholders (including Perfect Direct) is valid and enforceable. Accordingly, the Board has counted Perfect Direct as one of the Noteholders for the purpose of the Proposed Alteration in the announcement of the Company dated 24 October 2013 in relation to, among other matters, the Proposed Alteration.

The statutory demand does not create additional right of the Noteholder against the Company nor increase the liabilities on the part of the Company. The legal effect of a valid statutory demand is that if a company has failed to comply with the demand therein within 21 days from its service, the company will be deemed unable to pay its debts, which is one of the grounds for presenting a winding up petition against that company. In the event that Perfect Direct further pursues with a winding up petition against the Company, the Company will defend vigorously with available defences to protect the interests of the Company and the Shareholders.

As at the Latest Practicable Date, other than the statutory demand sent by Perfect Direct in September 2013 and the normal trade payable in the ordinary course of business, the Company has not received any demand from its creditors (including Perfect Direct) and there is no challenge to the irrevocable undertakings given by the Noteholders that is aware of by the Board.

Business development of the Group

As set out in the annual report of the Company for the year ended 31 December 2012 and the interim report of the Company for the six months ended 30 June 2013, the loss position of the Group and the outstanding principal amount of the Convertible Notes of HK\$843.0 million matured on 13 May 2013 together indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Board considers that such condition will continue to exist unless and until: (i) the Proposed Alteration has become effective (which is subject to the fulfillment of various conditions precedents set out under the paragraph headed "Conditions precedent to the Proposed Alteration" above); and (ii) the availability of new capital or financing to the Group.

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The Group's business like mining and forestry requires significant and continuous capital investment. Due to the sluggish worldwide economy, the declining trend of the price of the Shares and the poor sentiment in capital market in recent years, it has not been easy for the Company to conduct any equity fund raising to develop its business. The lack of sufficient resources of the Group has resulted in the delay in the production schedules of both the mining and forestry business and the Group's operation has thereby been inevitably scaled down. In this regard, impairment will likely continue to be made against the mining rights and other biological assets of the Group in view of the further delay in production schedule and the liquidity position of the Group. As at 30 June 2013, the Group had a total debts of HK\$855,119,000 including the outstanding Convertible Notes in the sum of HK\$843,000,000, outstanding promissory notes in the sum of HK\$11,000,000 (which is non-interest bearing, originally due on 13 May 2013 but agreed to be extended to be due and payable on 13 May 2016) and obligations under finance leases of HK\$1,119,000. The cash and bank balances as at 30 June 2013 were HK\$1,844,000. There has been no borrowing facilities available to the Group. Given the maturity of the Convertible Notes in May 2013, the Directors have been prioritizing their efforts to negotiate with the Noteholders to agree to the Proposed Alteration in order to survive the Company, which is a prerequisite if the Group is to continue its business. The Board believes that when the going concern issue of the Group is temporarily eased by the Proposed Alteration, the Company will then have a higher chance to attract any new investor(s) and raise funds to strengthen its financial position as well as to further develop its business.

Implication under Listing Rules

According to Rule 16.03 of the Listing Rules, any alterations in the terms of convertible equity securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible equity securities. An application for the said approval will be submitted to the Stock Exchange by the Company in due course.

Approval of the Shareholders by way of poll is proposed to be sought at the SGM in respect of the Supplemental Deeds and the transactions contemplated thereunder.

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, none of the Directors is interested in the Convertible Notes and none of the registered holders of the Convertible Notes is interested in the Shares, and therefore, no Shareholders have material interest in the Supplemental Deeds and the transactions contemplated thereunder and are required to abstain from voting at the SGM.

LETTER FROM THE BOARD

3. REFRESHMENT OF CURRENT GENERAL MANDATE

Current general mandate

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to allot and issue new Shares of an aggregate nominal amount not exceeding HK\$691,619.96 (equivalent to 69,161,996 Shares), being 20% of the aggregate nominal amount of the issued share capital of the Company of 345,809,983 Shares as at the date of passing of the resolution. As at the Latest Practicable Date, 69,160,000 Shares had been utilized under the Current General Mandate.

Since the date of the AGM, the issued share capital of the Company has been increased to 414,969,983 Shares. The balance of new Shares which can be allotted and issued under Current General Mandate is 1,996, representing approximately 0.0005% of the issued share capital as at the Latest Practicable Date.

The Current General Mandate has not been refreshed since the AGM.

Proposed grant of New General Mandate

At the SGM, ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing of the relevant ordinary resolution; and
- (ii) the New General Mandate be extended by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 414,969,983 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue an aggregate nominal amount of Shares not exceeding HK\$829,939.96 (equivalent to approximately 82,993,996 Shares), being 20% of the aggregate nominal amount of the issued share capital of the Company as at the Latest Practicable Date.

The New General Mandate is valid until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act or any other applicable laws of Bermuda to be held; or

LETTER FROM THE BOARD

- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

Reasons for New General Mandate

In order to maintain flexibility and provide discretion to the Directors to issue new Shares in the future which is necessary for the Group's funding needs and future business development, the Directors propose to the Independent Shareholders a resolution to grant the New General Mandate such that the Directors can exercise the power of the Company to issue new Shares up to 20% of the issued share capital of the Company as at the date of the SGM.

Although the Company at present does not have any concrete plan regarding the utilisation of the New General Mandate, it has continually been looking for appropriate opportunities to raise further fund in order to improve the Group's liquidity position and/or for repayment of liabilities as well as to develop its existing mining and forestry business. The Group has no new development plan for the gold mining business. The Company is currently reviewing the development status of each mine in order to allocate appropriate resources to individual mines. Therefore, the Company would conduct fund raising activities to raise additional capital when suitable opportunities emerge, but it will also be subject to other factors including the then prevailing market conditions, the then business performance of the Group and the financial position of the Company. On the other hand, the New General Mandate provides a means for the Company to raise funds expeditiously for its operations or expansion, such that, apart from the reason disclosed above, should attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market promptly because fund raising exercise pursuant to a general mandate provides the Company with a more simple and straight forward than other types of fund raising exercises and to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

The Company does not limit itself to resort to equity financing by excluding other means of raising funds such as debt financing. The Directors believe that the refreshment of the New General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business development, and is more preferable to the Company than other possible means of raising funds such as debt financing or borrowing in light of the current circumstances and financial position of the Group because equity financing (i) does not create any interest burden on the Group; (ii) is a more simple and straight forward than other types of fund raising exercises; and (iii) provides the Company with the capability to capture any capital raising and/or prospective investment opportunities as and when it arises. In addition, in view of the existing financial condition of the Group, it might be difficult for the Company to raise funds by means of debt financing on favorable terms, and it will also create further repayment obligations. Therefore, looking for long term investors by way of equity fund raising would be the best option given the existing situation of the Group.

LETTER FROM THE BOARD

In view of the above, the Directors consider the grant of the New General Mandate, which may or may not be utilised, is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISES BY THE COMPANY IN THE PAST TWELVE MONTHS

There has not been any refreshment of the Current General Mandate since the AGM. The following table summarises the use of the Current General Mandate since the AGM, and the fund raising activities by the Company in the past twelve months immediately prior to the Latest Practicable Date:

Date of initial announcement	Event	Net proceeds	Intended use of net proceeds	Actual use of net proceeds as at the Latest Practicable Date
28 August 2013	Placing for 69,160,000 Shares	HK\$16.7 million	General working capital	Approximately 97% of the net proceeds were used as intended. The remaining net proceeds will be used as intended shortly.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Fu Wing Kwok, Ewing, Ms. Pang Yuen Shan, Christina, Ms. Yeung Mo Sheung, Ann and Mr. Ma Ning, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the granting of the New General Mandate. Goldin Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

LETTER FROM THE BOARD

4. REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted to recognise and acknowledge the contributions of the Group's employees and other selected grantees made or may have made to the Group. The Share Option Scheme was adopted on 20 May 2011, entitling the Company to grant up to 914,073,266 Options (which was subsequently adjusted to 22,851,831 Options following the completion of the capital reorganizations of the Company conducted on 9 May 2012 and 9 January 2013 respectively), representing 10% of the issued share capital of the Company as at 20 May 2011, the date on which the resolution to adopt the Share Option Scheme was passed.

As at the Latest Practicable Date, there were 14,650,000 Options granted under the Share Option Scheme which are not yet exercised, which represents approximately 3.5% of the issued share capital of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has 414,969,983 Shares in issue. Assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 41,496,998 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the Proposed Scheme Refreshment by the Shareholders at the SGM.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit so as to provide the Company with the flexibility of granting further Options under the Share Option Scheme and to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees which the Board considers to be in the interests of the Company and the Shareholders as a whole. The Board therefore seeks the approval of the Shareholders at the SGM to refresh the Scheme Mandate Limit.

LETTER FROM THE BOARD

Conditions of the proposed refreshment of Scheme Mandate Limit

The Proposed Scheme Refreshment is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the SGM to approve the Proposed Scheme Refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options to be granted under the refreshed Scheme Mandate Limit.

5. RE-ELECTION OF DIRECTORS

According to Bye-laws no. 86(2)(b) of the Bye-laws, any Director appointed by the Board to fill the vacancy upon the resignation of any previous Directors shall hold office only until the first general meeting of the Company and shall then be eligible for re-election. As such, each of Mr. Chan Ka Wing, Mr. Tsai Wallen, Mr. Ma Ning and Ms. Yeung Mo Sheung, Ann shall retire from his or her office as Director at the SGM, and being eligible, each of Mr. Chan Ka Wing and Mr. Tsai Wallen will offer himself to be re-elected as an executive Director, and each of Mr. Ma Ning and Ms. Yeung Mo Sheung, Ann will offer himself or herself to be re-elected as an independent non-executive Director.

At the SGM, ordinary resolutions will be proposed to re-elect Mr. Chan Ka Wing and Mr. Tsai Wallen as executive Directors and Mr. Ma Ning and Ms. Yeung Mo Sheung, Ann as independent non-executive Directors. Particulars of Mr. Chan Ka Wing, Mr. Tsai Wallen, Mr. Ma Ning and Ms. Yeung Mo Sheung, Ann are set out in the Appendix to this circular.

SGM

Set out on pages 38 to 42 of this circular is a notice convening the SGM to be held on Saturday, 29 March 2014 at 11:00 a.m., at Jasmine Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong at which ordinary resolutions will be proposed to: (i) the Shareholders to consider and, if thought fit, approve the Proposed Alteration, the Proposed Scheme Refreshment, the re-election of Directors, and (ii) the Independent Shareholders to consider and, if thought fit, to approve the ordinary resolutions in respect of the grant of the New General Mandate.

In compliance with the Listing Rules, all the resolutions will be voted on by way of a poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions in relation to the approval of: (i) the Proposed Alteration; (ii) the Proposed Scheme Refreshment; and (iii) re-election of Directors to be proposed at the SGM. Pursuant to Rule 13.36(4)(a) of the Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling

LETTER FROM THE BOARD

Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions at the SGM. As at the Latest Practicable Date, none of the Directors and the chief executive of the Company and their respective associates have any intention to vote against the relevant ordinary resolutions at the SGM in relation to the New General Mandate.

As at the Latest Practicable Date, save for (i) Mr. Cheung Wai Yin, Wilson, who is a Director and is beneficially interested in 2,675,000 Shares; and (ii) Mr. Tian Lidong who is also a Director and is beneficially interested in 7,500,000 Shares, none of the Directors and the chief executive of the Company, and their respective associates have any Shares in the Company. Each of Mr. Cheung Wai Yin, Wilson, Mr. Tian Lidong and their respective associates will abstain from voting in favour of the ordinary resolutions to approve the grant of the New General Mandate at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof if you so wish.

RECOMMENDATION

The Board considers that (i) the terms of the Proposed Alteration; (ii) the proposed grant of New General Mandate; (iii) the Proposed Scheme Refreshment and (iv) the re-election of Directors, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders (or the Independent Shareholders, as the case may be,) to vote in favour of the ordinary resolutions in relation to the Proposed Alteration, the grant of New General Mandate, the Proposed Scheme Refreshment, and the re-election of Directors as set out in the notice of SGM.

The Independent Board Committee, having taken into account the advice of Independent Financial Adviser, considers that the grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM for approving the grant of the New General Mandate.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the Letter from Goldin Financial set out on pages 26 to 34 of this circular which contains its advice to the Independent Board Committee, the Independent Shareholders in connection with the grant of the New General Mandate and the Letter from the Independent Board Committee set out on page 25 this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully
For and on behalf of the Board
Dejin Resources Group Company Limited
Cheung Wai Yin, Wilson
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the proposed refreshment of the Current General Mandate:



DEJIN RESOURCES GROUP COMPANY LIMITED

德金資源集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1163)

13 March 2014

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We have been appointed as the Independent Board Committee to consider and advise you on the proposed refreshment of the Current General Mandate, details of which are set out in the circular dated 13 March 2014 issued by the Company to the Shareholders (the “Circular”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the Letter from the Board and the Letter from Goldin Financial set out on pages 5 to 24 and pages 26 to 34 of the Circular respectively.

Having taken into account the principal factors and reasons considered by the Independent Financial Adviser, its conclusion and advice, we concur with the view of the Independent Financial Adviser and consider the terms of the refreshment of the Current General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the refreshment of the Current General Mandate and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Fu Wing Kowk, Ewing
Independent non-executive Director

Ms. Pang Yuen Shan, Christina
Independent non-executive Director

Ms. Yeung Mo Sheung, Ann
Independent non-executive Director

Mr. Ma Ning
Independent non-executive Director

LETTER FROM GOLDIN FINANCIAL

Set out below is the full text of the letter of advice from Goldin Financial in relation to the proposed refreshment of the Current General Mandate to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this Circular.



高銀融資有限公司
GOLDIN FINANCIAL LIMITED

Goldin Financial Limited
23/F
Two International Finance Centre
8 Finance Street
Central
Hong Kong

13 March 2014

*To the Independent Board Committee and
the Independent Shareholders of
Dejin Resources Group Company Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company in relation to the proposed refreshment of the Current General Mandate, details of which are contained in the letter from the Board (the “**Letter from the Board**”) on page 5 to page 24 of the circular of the Company dated 13 March 2014 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the content otherwise requires.

Pursuant to Rule 13.36(4) of the Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the Independent Shareholders approval by way of poll at the general meeting of the Company. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and chief executives of the Company and their respective associates shall abstain from voting in favour of the resolutions for approving the New General Mandate as required under Rule 13.36(4)(a) of the Listing Rules. As at the Latest Practicable Date, save for (i) Mr. Cheung Wai Yin, Wilson who is an executive Director and was beneficially interested in 2,675,000 Shares, representing approximately 0.64% of the total issued share capital of the Company; and (ii) Mr. Tian Lidong who is an executive Director and was beneficially interested in 7,500,000 Shares, representing approximately 1.81% of the total issued share capital of the Company, none of the Directors and the chief executive of the Company, and their respective associates had any Shares in the Company.

LETTER FROM GOLDIN FINANCIAL

The Independent Board Committee, comprising Mr. Fu Wing Kwok, Ewing, Ms. Pang Yuen Shan, Christina, Ms. Yeung Mo Sheung, Ann and Mr. Ma Ning, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on whether the proposed refreshment of the Current General Mandate is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the date of the SGM.

The Directors have collectively and individually accepted full responsibility for the Circular which includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular or the Circular misleading. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in respect of the proposed refreshment of the Current General Mandate, we have considered the following principal factors and reasons:

1. Background of and reasons for the proposed refreshment of the Current General Mandate

The Group is principally engaged in design and trading of lighting products, timber business in the People's Republic of China and exploitation of gold mines in Hebei and Shandong Provinces, the People's Republic of China.

LETTER FROM GOLDIN FINANCIAL

At the AGM held on 3 June 2013, the then Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to allot and issue new Shares of an aggregate nominal amount not exceeding HK\$691,619.96 (equivalent to 69,161,996 Shares), being 20% of the aggregate nominal amount of the issued share capital of the Company of 345,809,983 Shares as at the date of passing of the resolution.

On 28 August 2013, the Company and President Securities (Hong Kong) Limited (the “**Placing Agent**”), entered into a placing agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 69,160,000 Shares issued under the Current General Mandate at the issue price of HK\$0.25 per Share to not fewer than six placees, who and whose ultimate beneficial owner are independent third parties to the Company (the “**Placing**”), details of which were set out in the announcement of the Company dated 28 August 2013. The Placing was completed on 8 October 2013. The net proceeds from the placing, after deduction of the placing commission and other related expenses, were approximately HK\$16.7 million.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, 69,160,000 Shares have been issued under the Current General Mandate, representing that the Current General Mandate has been utilised as to approximately 99.99%. If the Current General Mandate is not to be refreshed, only 1,996 new Shares may be further issued under the Current General Mandate. In addition, we were advised by the Directors that the next annual general meeting of the Company will not be held until around June 2014, which is about four months away from the Latest Practicable Date. If the Current General Mandate (which has been almost fully utilised) is not to be refreshed at the SGM, the Company will not have the flexibility to raise fund by way of issuing new Shares under the Current General Mandate, if so required, until a new general mandate is approved at the next annual general meeting.

According to the interim report of the Company for the six months ended 30 June 2013 (the “**Interim Report 2013**”), the Company will continue to raise funds to finance capital expenditures of its gold mines and provide sufficient funds for expanding exploration activities, whilst looking for opportunities to acquire other mining related businesses in order to strengthen the Group’s competitiveness in the market. As advised by the management of the Company, the Group estimates that approximately HK\$3.0 million would be required for the capital expenditure of its gold mines until the next annual general meeting. As at the Latest Practicable Date, the Group has not yet identified any opportunities to acquire other mining related businesses.

As set out in the Letter from the Board, although the Company at present does not have any concrete plan regarding the utilisation of the New General Mandate as at the Latest Practicable Date, the Board believes that the grant of the New General Mandate provides a means for the Company to enrich the Group’s liquidity position and/or for repayment of liabilities, and to raise funds expeditiously for its operations or expansion and is therefore in the interests of the Company and the Shareholders as a whole.

On the basis of a total of 414,969,983 Shares in issue as at the Latest Practicable Date and assuming that no Shares would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the New General Mandate, if granted, will authorise the Directors to allot and issue up to a maximum of 82,993,996 Shares, representing 20% of the issued share capital of the Company as at the date of the SGM.

LETTER FROM GOLDIN FINANCIAL

Having considered that (i) the Current General Mandate has been utilised as to approximately 99.99%; (ii) the New General Mandate would provide the Group with financial flexibility to raise equity capital expeditiously for its operations or expansion as well as to capture investment opportunities that could create returns to the Shareholders; and (iii) the New General Mandate would strengthen the capital base and financial position of the Company amidst the current uncertain economic and market conditions, we are of the view that the refreshment of the Current General Mandate is in the interests of the Company and the Shareholders as a whole.

2. History of capital raising activities of the Group during the last 12 months

According to the information provided by the Directors, we summarise the capital raising activity of the Company during the past 12 months immediately preceding the Latest Practicable Date in the following table:

Date of initial announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
28 August 2013	Placing of 69,160,000 Shares, which was completed on 8 October 2013	Approximately HK\$16.7 million	General working capital of the Group	Approximately 97% of the net proceeds were used as intended. The remaining net proceeds will be used as intended shortly

As advised by the management of the Company, out of the net proceeds from the Placing of approximately HK\$16.7 million, approximately 97% thereof has been fully utilized as general working capital of the Group, including amounts payable accrued in daily operation, staff costs and other working capital expenditure, and the remaining of the net proceeds raised will be utilised in the same manner shortly. Save as disclosed above, the Company has not conducted any other capital raising activities in the past twelve months immediately preceding the Latest Practicable Date.

LETTER FROM GOLDIN FINANCIAL

As stated in the Interim Report 2013, the fact that the Group incurred a net loss of approximately HK\$22.36 million for the six months ended 30 June 2013 and the Group's current liabilities exceeded its current assets by approximately HK\$883.66 million as at 30 June 2013, coupled with the uncertainty in relation to the Company reaching a consensus with the holders of the Convertible Notes for, among other matters, the extension of maturity, have casted doubt about the Group's ability to continue as a going concern. As advised by the Company, as at 30 June 2013, the Group had a total debts of HK\$855,119,000 including the outstanding Convertible Notes in the sum of HK\$843,000,000, outstanding promissory notes in the sum of HK\$11,000,000 (which is non-interest bearing, originally due on 13 May 2013 but agreed to be extended to be due and payable on 13 May 2016) and obligations under finance leases of HK\$1,119,000. As announced by the Company on 24 October 2013, the Company entered into the Supplemental Deeds on the even day for the Proposed Alteration, involving the amendments of (i) the maturity date of the Convertible Notes in the principal amount of HK\$843.0 million from 13 May 2013 to 13 May 2016; and (ii) the conversion price of the Convertible Notes from HK\$24 to HK\$0.30 per Conversion Share. The Proposed Alteration is subject to conditions precedent to the Supplemental Deeds including, among others, the passing of an ordinary resolution by the Shareholders at the SGM to approve the Supplemental Deeds and the transactions contemplated thereunder, details of which are contained in the Circular. It should be noted that the aforesaid conditions may or may not be fulfilled and hence the Proposed Alteration may or may not materialise.

Based on the Interim Report 2013, the unaudited cash and cash equivalents of the Group as at 30 June 2013 was approximately HK\$1.84 million. We noted that, based on the Group's unaudited net current liabilities of approximately HK\$883.66 million as at 30 June 2013, as adjusted after taking into account (i) the proceeds from the Placing of approximately HK\$16.7 million; and (ii) the extension of the maturity of the Convertible Notes from 13 May 2013 to 13 May 2016 on the assumption that all conditions precedent to the Proposed Alteration will be fulfilled and the Proposed Alteration will become effective, which would allow the reclassification of the principal amount of the Convertible Notes of HK\$843.0 million from current liabilities to non-current liabilities of the Group, the net current liability position of the Group would be reduced from approximately HK\$883.66 million to approximately HK\$23.96 million. Notwithstanding the net current liability position of the Group to be improved potentially as illustrated above, given the unaudited loss attributable to owners of the Company of approximately HK\$22.36 million and the net decrease in cash and cash equivalents of HK\$5.95 million for the six months ended 30 June 2013 (including net cash used in operating activities of approximately HK\$5.64 million), with reference to the Interim Report 2013, we consider that it would be fair and reasonable for the Group to remain financially flexible. As advised by the management of the Company, the Group will from time to time monitor its financial position and raise fund as and when appropriate, when suitable opportunity arises with and when the market condition permits, to strengthen its liquidity through, among others, equity financing. Although, as at the Latest Practicable Date, the Group did not have any concrete plans for fund raising, we are of the view that the refreshment of the Current General Mandate could provide financial flexibility to the Group in order to meet its current obligations and potential urgent liquidity needs in a timely manner and hence the refreshment of the Current General Mandate is fair and reasonable.

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Given the above, and further considering that the Company will continue to raise funds to finance capital expenditures of its gold mines and expansion of exploration activities, whilst looking for opportunities to acquire other mining related businesses, we consider that there is no certainty that the existing cash and credit resources of the Group will be adequate for its business development and investments in suitable opportunities that may be identified by the Company in the future. In addition, as advised by the Directors, there has been no borrowing facilities available to the Group as of the Latest Practicable Date. In the event that the Group identifies suitable business or investment opportunities and does not have sufficient cash and credit resources on hand, and it fails to obtain loans on terms which the Directors consider acceptable to the Group or raise funds from the equity market, or it cannot find other alternatives to finance the business development or acquisition of such investment opportunities in a timely manner, the Group may lose its opportunity in an otherwise favourable development/investment.

Given that the Current General Mandate has been nearly used up, it is impossible for the Company to proceed with any equity fund raising exercise and/or to issue new Shares as payment consideration in any possible acquisition transaction without first seeking separate approval from the Shareholders. In light of the time and cost involved for convening shareholders' meeting, the inability of the Company to issue new Shares under general mandate will largely reduce the flexibility of the Company to structure any potential share transaction or other acquisition project. In particular, the Company may have to pay cash or settle the acquisition consideration in other ways and lose the chance to broaden its shareholder base if the potential sellers or counterparties are interested to become holders of the Shares. Taking into consideration the recent volatility of the market, the Company may fail to grasp good chance for capital raising and/or investment opportunities if it needs to wait around four months until the next annual general meeting for the grant of a new general mandate or otherwise it is required to seek specific mandate from Shareholders for each equity issuance which may not be the most time and cost efficient way to proceed with the transaction.

Based on the aforesaid, we are of the view that the New General Mandate would provide flexibility to the Company in carrying out fund raising activities, and the refreshment of the Current General Mandate is in the interests of the Company and the Shareholders as a whole.

3. Other financing alternatives

As debt financing may incur interest burden to the Group, equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate means to fund potential investments and/or acquisition, and provide additional working capital for the future development and expansion of the Group, given the Group's financial position, capital structure, cost of funding and the then financial market condition, especially under the situations in which the global financial market has remained uncertain and volatile. Other financing methods such as debt financing and internal cash resources to fund future business development of the Company shall be taken into consideration in appropriate circumstances. In addition, grant of the New General Mandate allows the Company to raise equity capital within specified number of Shares promptly and when necessary rather than the more time consuming process of applying for specific mandate in the case

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of alternative pro-rata equity fund raising such as rights issue and open offer when such need for capital may arise in the future. Given the aforementioned reasons, we are of the view that equity financing through the use of the New General Mandate is more flexible and time efficient than alternative equity financing methods such as by way of rights issue or open offer.

We consider that the New General Mandate will provide the Company with an additional alternative for fund raising. It is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the grant of the New General Mandate is in the interests of the Company and the Independent Shareholders as a whole.

4. Potential dilution to shareholding of the Shareholders

We set out below the table depicting the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose only, the potential dilution effect on the shareholdings (i) upon full utilisation of the New General Mandate and (ii) upon full utilisation of the New General Mandate and immediately upon exercise by the Noteholders of the conversion rights attached to the Convertible Notes at the New Conversion Price in full, assuming that no Share would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM:

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate		Upon full utilisation of the New General Mandate and immediately upon exercise of the rights attached to the Convertible Notes	
	Approximate		Approximate		Approximate	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Innovation Union Investments Limited (Note 1)	57,000,000	13.74	57,000,000	11.44	57,000,000	1.75
Mr. Tian Lidong (Note 2)	7,500,000	1.81	7,500,000	1.51	7,500,000	0.23
Mr. Cheung Wai Yin, Wilson (Note 3)	2,675,000	0.64	2,675,000	0.54	2,675,000	0.08
Existing public Shareholders	347,794,983	83.81	347,794,983	69.84	347,794,983	10.70
Shares that may be issued under the New General Mandate	-	-	82,993,996	16.67	82,993,996	2.55
Noteholders (Note 5)	-	-	-	-	2,753,333,333	84.48
Total (Note 4)	414,969,983	100.00	497,963,980	100.00	3,251,297,312	100.00

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Notes:

1. To the best knowledge, information and belief of the Directors, Innovation Union Investments Limited is a controlled corporation wholly-owned by Mr. Kang Shifeng.
2. Mr. Tian Lidong (“**Mr. Tian**”) is a Director and is deemed to be interested in 7,500,000 Shares held by Sino Flourish Investments Limited, a controlled corporation of Mr. Tian pursuant to the SFO.
3. Mr. Cheung Wai Yin, Wilson (“**Mr. Cheung**”) is a Director beneficially interested in 175,000 Shares. He is also deemed to be interested in 2,500,000 Shares held by Knight Asia Investments Limited, a controlled corporation of Mr. Cheung pursuant to the SFO.
4. Due to rounding of figures, the total shareholding of the Company in either scenario may not add up to 100%.
5. This is for illustrative purpose only. Upon full conversion of the Convertible Notes at the New Conversion Price, a total of 2,753,333,333 Conversion Shares will be issued, representing approximately (i) 6.64 times of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 86.90% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the share capital of the Company). According to the existing terms of the Convertible Notes, the Noteholder shall have the right to convert the Convertible Notes into Conversion Shares provided that (i) any conversion of the Convertible Notes does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Noteholder which exercises the conversion rights (or any party acting in concert with it); and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any one time in compliance with the Listing Rules.

As illustrated in the table above, assuming no Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, 82,993,996 new Shares can be issued upon full utilisation of the New General Mandate, representing 20% the issued share capital of the Company as at the date of the SGM, and the aggregate shareholding of the existing public Shareholders (excluding those holding the new Shares issuable under the New General Mandate) will decrease from approximately 83.81% as at the Latest Practicable Date to approximately 69.84% upon full utilisation of the New General Mandate.

Taking into account that (i) the New General Mandate will provide an alternative to increase the amount of capital of the Company; (ii) the New General Mandate provides more flexibility and options of financing to the Group for further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise, especially during the current volatile financial market; and (iii) the fact that the shareholding interests of all the Shareholders will be decreased in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we consider that such potential dilution to shareholdings of the public Shareholders to be justifiable.

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RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the proposed grant of the New General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions approving the New General Mandate and the extension thereof at the SGM. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the New General Mandate is utilised.

Yours faithfully,
For and on behalf of
Goldin Financial Limited

Billy Tang
Director

Pursuant to the Listing Rules, the details of the Directors, who will offer themselves for re-election at the SGM according to the Bye-laws, are provided below:

Mr. Chan Ka Wing (“Mr. Chan”)

Mr. Chan, aged 41, has served as the Chief Financial Officer in charge of overall financial operation, company secretarial and investor relations matters of the Company since June 2010. Mr. Chan has over 15 years of experience in auditing, accounting and finance. Prior to joining the Company, Mr. Chan had worked in one of the international accounting firms for over 8 years and served as the financial controller in several companies listed on the Main Board of the Stock Exchange. Mr. Chan obtained a Bachelor’s degree in Commerce from Concordia University, Canada. He is a member of both Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants. Mr. Chan has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

The initial term of office of Mr. Chan is 3 years commencing on 3 June 2013. He is subject to retirement and re-election in accordance with the provisions set out in the Bye-laws. Pursuant to the service agreement entered into between Mr. Chan and the Company, Mr. Chan is entitled to receive annual remuneration of HK\$1,200,000. The above emolument is recommended by the Remuneration Committee of the Company and approved by the Board with reference to his qualification, experience and responsibilities as well as the Company’s remuneration policy.

As far as the Board is aware, as at the Latest Practicable Date, Mr. Chan is deemed to be interested in 2,000,000 underlying shares of the Company, which may be issued and allotted upon exercise of the subscription rights attached to the Options at the subscription price of HK\$4 per Share. Save as disclosed herein, Mr. Chan does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As far as the Board is aware, there is no information of Mr. Chan to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Tsai Wallem (“Mr. Tsai”)

Mr. Tsai, aged 54, has joined the Company in 2010 and is the general manager of our forestry business. Mr. Tsai graduated in San Francisco City College. Mr. Tsai has over 30 years of experience in realty, investment and timber business. Mr. Tsai has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

The initial term of office of Mr. Tsai is 3 years commencing on 3 June 2013. He is subject to retirement and re-election in accordance with the provisions set out in the Bye-laws. Pursuant to the service agreement entered into between the Mr. Tsai and the

Company, Mr. Tsai is entitled to receive annual remuneration of HK\$240,000. The above emolument are recommended by the Remuneration Committee of the Company and approved by the Board with reference to his qualification, experience and responsibilities as well as the Company's remuneration policy.

As far as the Board is aware, as at the Latest Practicable Date, Mr. Tsai is deemed to be interested in 2,000,000 underlying shares of the Company, which may be issued and allotted upon exercise of the subscription rights attached to the Options at the subscription price of HK\$4 per Share. Save as disclosed herein, Mr. Tsai does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As far as the Board is aware, there is no information of Mr. Tsai to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Ma Ning ("Mr. Ma")

Mr. Ma, aged 56, holds a Master degree in Economic/Finance from the Graduate School of Chinese Academy of Agricultural Sciences and a Bachelor of Science degree in Chemistry from Nanjing University. He further pursued his studies and completed courses in Financial Economic at Wageningen University, the Netherlands in 1993. Mr. Ma is currently the chief financial officer and chief operating officer of Kiwa Bio-Tech Products Group Corporation in Beijing office, China, the issued shares of which are traded on the Over-The-Counter Bulletin Board of the United States of America.

Save as disclosed above, Mr. Ma has not held directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and have not held any other positions in the Company or other members of the Group as at the Latest Practicable Date.

Mr. Ma has entered into a service agreement with the Company for a term of three years commencing from 3 September 2013 subject to retirement by rotation and re-election in accordance with the provisions set out in the Bye-laws. Mr. Ma is entitled to a director's fee of HK\$150,000 per annum which was determined by the Board with reference to his skill, knowledge and expected involvement in the Company's affairs, profitability of the Company, remuneration benchmarks in the industry, and prevailing market conditions.

As at the Latest Practicable Date, Mr. Ma does not have any interests in the shares of the Company which is required to be disclosed under Part XV of the SFO. Mr. Ma does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date.

Save as disclosed herein, the Board is not aware of any information of Mr. Ma to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Ms. Yeung Mo Sheung, Ann (“Ms. Yeung”)

Ms. Yeung, aged 48, holds a Bachelor degree of Retail Marketing with honours in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She further pursued her studies on legal course and has been awarded a Diploma in Legal Practice in the United Kingdom in 1998 and is presently a solicitor of Messrs. Wong & Wong Lawyers, a law firm in Hong Kong. Ms. Yeung is currently an independent non-executive director of Merdeka Resources Holdings Limited (stock code: 8163) and Hao Wen Holdings Limited (stock code: 8019), both companies whose issued shares are listed on the Growth Enterprise Market of the Stock Exchange.

She is also currently an independent non-executive director of Success Universe Group Limited (stock code: 487, formerly known as Macau Success Limited), the issued shares of which are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Ms. Yeung has not held directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and have not held any other positions in the Company or other members of the Group as at the Latest Practicable Date.

Ms. Yeung has entered into a service agreement with the Company for a term of three years commencing from 3 September 2013 subject to retirement by rotation and re-election in accordance with the provisions set out in the Bye-laws. Ms. Yeung is entitled to a director’s fee of HK\$150,000 per annum which was determined by the Board with reference to their skill, knowledge and expected involvement in the Company’s affairs, profitability of the Company, remuneration benchmarks in the industry, and prevailing market conditions.

As at the Latest Practicable Date, Ms. Yeung does not have any interests in the shares of the Company which is required to be disclosed under Part XV of the SFO. Ms. Yeung does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date.

Save as disclosed herein, the Board is not aware of any information of Ms. Yeung to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.



DEJIN RESOURCES GROUP COMPANY LIMITED

德金資源集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1163)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Dejin Resources Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held on Saturday, 29 March 2014 at 11:00 am at Jasmine Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong, for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**
 - (a) the supplemental deed (the “**Hebei CN Supplemental Deed**”) dated 24 October 2013 and executed by the Company for the alteration of the terms of the three-year 0% convertible notes (the “**Hebei Convertible Notes**”), issued by the Company on 13 May 2010 in connection with the acquisition by the Group of the entire issued share capital of, and the debts due by, Goldpic Investments Limited for a total consideration of HK\$6,350 million pursuant the sale and purchase agreement dated 16 September 2009 (as amended on 25 January 2010, 26 March 2010 and 31 March 2010) and entered into between Best Commerce Limited as purchaser and Silver Mark Enterprises Limited as vendor, by: (i) extending the maturity date of the Hebei Convertible Notes for 3 years from 13 May 2013 to 13 May 2016; and (ii) amending the conversion price of the Hebei Convertible Notes from HK\$24 per share (the “**Share**”) of HK\$0.01 in the capital of the Company to HK\$0.3 per Share, a copy of the Hebei CN Supplemental Deed having been produced to the SGM and marked “A” and initialed by the chairman of the SGM for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (b) the supplemental deed (the “**Shandong CN Supplemental Deed**”, together with the Hebei CN Supplemental Deed, the “**Supplemental Deeds**”) dated 24 October 2013 and executed by the Company for the alteration of the terms of the three-year 0% convertible notes (the “**Shandong Convertible Notes**”, together with the Hebei Convertible Notes, the “**Convertible Notes**”), issued by the Company on 13 May 2010 in connection with the acquisition by the Group of the entire issued share capital of, and the debts due by, Mark Unison Limited for a total

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consideration of HK\$1,060 million pursuant to the sale and purchase agreement dated 16 September 2009 (as amended on 25 January 2010 and 26 March 2010) and entered into between Best Commerce Limited as purchaser and Wingem Investments Limited as vendor, by: (i) extending the maturity date of the Shandong Convertible Notes for 3 years from 13 May 2013 to 13 May 2016; and (ii) amending the conversion price of the Shandong Convertible Notes from HK\$24 per Share to HK\$0.3 per Share, a copy of the Shandong CN Supplemental Deed having been produced to the SGM and marked "B" and initialed by the chairman of the SGM for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (c) the allotment and issue of new Shares upon exercise of the conversion rights attached to the Convertible Notes at the conversion price of HK\$0.30 per Share (subject to adjustment) upon and subject to the terms and conditions of the Convertible Notes as amended by the Supplemental Deeds be and is hereby approved; and
 - (d) any two directors (the "**Directors**") of the Company be and are hereby authorized to implement and take all steps and do all acts and things and execute all such documents (including under seal where necessary) which they consider necessary, desirable or expedient to give effect to the Supplemental Deeds and the transactions contemplated thereunder."
2. "THAT, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting (the "**AGM**") of the Company held on 3 June 2013 be and is hereby revoked and replaced by the mandate THAT:
- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the

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existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in

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determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

3. “**THAT** conditional upon the passing of resolution no. 2 above, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue Shares to the aggregate nominal amount of the Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 2 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”
4. “**THAT** subject to and conditional upon the granting by the Stock Exchange approving the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of option to be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted on 20 May 2011, which entitles the Directors to grant options after the listing of Shares on the Stock Exchange, in the manner as set out in paragraph 4(a) of this resolution:
 - (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
 - (b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”
5.
 - (a) To re-elect Mr. Chan Ka Wing as executive Director;
 - (b) To re-elect Mr. Tsai Wallen as executive Director;
 - (c) To re-elect Mr. Ma Ning as independent non-executive Director; and
 - (d) To re-elect Ms. Yeung Mo Sheung, Ann as independent non-executive Director.

By order of the Board
Dejin Resources Group Company Limited
Cheung Wai Yin, Wilson
Executive Director

Hong Kong, 13 March 2014

NOTICE OF SGM

Notes:

1. Any member entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. Where there are joint members any one of such joint members may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint member be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint members, and for this purpose seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint holding.
4. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the SGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.