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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)

HOLDING ANNOUNCEMENT

Reference is made to the announcement of Dejin Resources Group Company Limited (the “**Company**”) dated 16 May 2014 in relation to the suspension in trading of the shares (the “**Shares**”) of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

(1) Arbitral Award against one of the subsidiaries of the Company

Shortly after the meeting of the board (the “**Board**”) of directors (the “**Directors**”) of the Company held on 9 May 2014 to discuss the convening of a special general meeting for the removal of Mr. Mow Tai Loy, Mr. Tian Lidong and Mr. Zhao Zhibin as Directors upon receiving a requisition notice from shareholders of the Company, the Directors received an anonymous email attaching a copy of arbitral award (the “**Arbitral Award**”) against Beijing Tsingda Deshi Technology Limited (北京清大德氏科技有限公司[#]) (“**Tsingda Deshi**”), one of the subsidiaries of the Company which was acquired by the Company in May 2010 (the “**Acquisition**”, details of which are disclosed in the circular of the Company dated 7 April 2010). In the Arbitral Award, it was recited, among other matters, that: (a) Tsingda Deshi has prior to the completion of the Acquisition entered into a contract (the “**Alleged Contract**”) with third parties and has agreed to acquire certain assets for a consideration of RMB160,000,000; and (b) the legal representative (法人代表) of Tsingda Deshi, namely Mow Yan Loy Milton (“**Milton Mow**”), who is the brother of Mr. Mow Tai Loy, entered into a settlement agreement (the “**Alleged Settlement Agreement**”) with the applicant in relation to the Alleged Contract for the Arbitral Award. According to the Arbitral Award, Tsingda Deshi was held to perform its payment obligations of RMB160,000,000 under the Alleged Contract, and to pay a compensation amount of RMB12,000,000 to the applicant under the Alleged Settlement Agreement.

All the then Directors have confirmed that they have no knowledge of the Alleged Contract, the Alleged Settlement Agreement and the Arbitral Award. The Board has immediately inquired Milton Mow, being the legal representative (法人代表) of Tsingda Deshi, on the Alleged Contract, the Alleged Settlement Agreement and the Arbitral Award, but there has been no substantive response from him up to the date hereof.

The Company has engaged legal adviser as to the laws of the People's Republic of China (the "PRC") to verify the genuineness and/or the validity of the Alleged Contract, the Alleged Settlement Agreement and the Arbitral Award. The Board is gathering and verifying information to assess the impact, if any, which may have to the Company in the event that the Arbitral Award and the matters mentioned therein are genuine and valid. Further announcement(s) will be made by the Company as and when appropriate.

(2) **Revocation of business licence of Tsingda Deshi**

The Company has also been recently informed that the business licence of Tsingda Deshi was revoked. After making necessary enquiry, the Board is told that the revocation of the business licence of Tsingda Deshi is due to the failure of Tsingda Deshi to carry out annual review (年檢) for renewal.

It has been the usual practice and the duty of Milton Mow, being the legal representative of Tsingda Deshi, to attend to the renewal of the business licence of Tsingda Deshi. Based on the preliminary advice from the Company's PRC legal advisers, the revocation of the business licence does not affect the assets and liabilities of Tsingda Deshi and renewal application of the business licence can be made. The Company reserves its rights to take action against the failure of Milton Mow to carry out his duty to renew the business licence of Tsingda Deshi.

(3) **Update on the winding up petition against the Company**

As disclosed in the announcement of the Company dated 2 April 2014, Perfect Direct Limited (the "Petitioner"), one of the holder of the convertible notes of the Company which has given consent to, among other matters, the extension of the maturity date of the convertible notes for 3 years from 13 May 2016, has filed a winding up petition (the "Petition") against the Company, and the first hearing for the Petition was scheduled on 11 June 2014. Milton Mow has held out to be the director of the Petitioner.

At the hearing of 11 June 2014 at the High Court of Hong Kong, the hearing was adjourned to 16 June 2014 for further directions. The Company will publish announcement(s) to update the Shareholders of the progress thereof as and when appropriate.

Furthermore, right before the close of business on 9 June 2014, the Company received an ex parte summons taken out by the Petitioner applying for an order of court to appoint a provisional liquidator to the Company (the “**Application**”) which has been heard on 9 June 2014 but was ordered by the High Court to be adjourned to the afternoon on 11 June 2014 for hearing by both parties.

At the hearing for the Application on 11 June 2014, the judge is not satisfied with the evidence filed by the Petitioner and the Application was dismissed unconditionally. Accordingly, no provisional liquidator is appointed to the Company.

(4) **Judgment against Tsingda Deshi**

Reference is made to the litigation as disclosed in the annual report of the Company for the year ended 31 December 2013 involving a cooperation agreement (the “**Alleged Cooperation Agreement**”) allegedly entered into between Tsingda Deshi and Gong Hongwei (龔宏偉[#]) (“**Mr. Gong**”) for joint investment in an 80% owned subsidiary of Tsingda Deshi, known as Longxin Mining Company Limited (隆鑫礦業有限公司[#]) (“**Longxin**”), of which Milton Mow is also the legal representative. Mr. Gong claimed against Tsingda Deshi for breach of the Alleged Cooperation Agreement. For the purpose of the Application, Milton Mow revealed in his affirmations on behalf of the Petitioner sent to the Company at the hearing on 11 June 2014 that a judgment (the “**Judgment**”) was made against Tsingda Deshi on 23 May 2014 that Tsingda Deshi shall transfer its 80% equity interest in Longxin to Mr. Gong.

The Board has no prior knowledge of the Judgment and will assess its impact on the Company, if any.

(5) **New litigation against the Company**

On 9 June 2014, the Company was served with a sealed copy of an originating summons (the “**Summons**”) taken out by Ocean Top Investments Limited (“**Ocean Top**”) at the High Court of Hong Kong, one of the holders of the convertible notes issued by the Company, which ask for an order for, among other matters, delivery of a certificate for the convertible notes in the principal amount of HK\$55,000,000. Milton Mow has held out to be the director of Ocean Top.

The Board considered that the Summons has no valid ground and the Company has instructed legal adviser to defend the Summons.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 16 May 2014. Trading in the Shares will remain suspended until further notice.

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

Hong Kong, 11 June 2014

English names used herein are transliteration of their Chinese names for reference only and shall not be regarded as the official names.

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Cheung Wai Yin, Wilson, Mr. Chan Ka Wing, Mr. Tsai Wallen, Mr. Lau Chi Yan, Pierre and Mr. Yang Zhihua; and four independent non-executive Directors, namely, Mr. Fu Wing Kwok, Ewing, Ms. Pang Yuen Shan, Christina, Ms. Yeung Mo Sheung, Ann and Mr. Ma Ning.