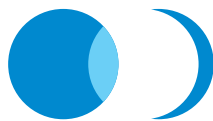


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SINO RESOURCES GROUP LIMITED
(carrying on business in Hong Kong as Sino Gp Limited)

神州資源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

**COMPLETION OF THE SUBSCRIPTION AGREEMENT II, LAPSE OF
THE SUBSCRIPTION AGREEMENT I AND ENTERING INTO OF TWO
NEW SUBSCRIPTION AGREEMENTS
AND
RESUMPTION OF TRADING**

**COMPLETION OF THE SUBSCRIPTION AGREEMENT II AND LAPSE OF
THE SUBSCRIPTION AGREEMENT I**

The Board is pleased to announce that the condition precedent under the Subscription Agreement II has been fulfilled, the completion thereof took place on 18 November 2016 and 549,066,000 Shares were allotted and issued to the Subscriber II (Ms. Liu Qiuhua (劉秋華)) at the subscription price of HK\$0.225 each.

The Board also announces that the Subscription Agreement I lapsed on 18 November 2016.

THE NEW SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 18 November 2016 (after trading hours), the Company and the New Subscribers entered into the New Subscription Agreements, pursuant to which the Company agreed to issue (pursuant to the General Mandate), and the New Subscribers agreed to subscribe for, an aggregate of 255,760,000 Subscription Shares at the Subscription Price of HK\$0.229 per Subscription Share. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the New Subscribers are Independent Third Parties. Each of the New Subscriptions is conditional upon the granting of approval for the listing of and permission to deal in the Subscription Shares on the Stock Exchange. Application will be made to the Listing Committee of the Stock Exchange for the same.

The Subscription Shares represent approximately 5.59% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.30% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the New Subscription Agreements and the date of Completion of the New Subscriptions).

The aggregate gross proceeds of the New Subscriptions will amount to HK\$58,569,040 and the aggregate net proceeds, after the deduction of the related expenses, will be approximately HK\$58,500,000, representing a net Subscription Price of approximately HK\$0.2287 per Subscription Share. The Company intends to apply the net proceeds of the New Subscriptions in the manner set out in the subparagraph headed “The New Subscription Agreements – Reasons for the New Subscriptions and Use of Proceeds” in this announcement.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

As Completion of each of the New Subscriptions is subject to the satisfaction of the condition precedent as set out in the relevant New Subscription Agreements, the New Subscriptions may or may not proceed. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 1:00 p.m. on Friday, 18 November 2016 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Monday, 21 November 2016.

COMPLETION OF THE SUBSCRIPTION AGREEMENT II AND LAPSE OF THE SUBSCRIPTION AGREEMENT I

Reference is made to the announcement of Company dated 20 October 2016 in relation to the Subscription Agreement I and the Subscription Agreement II entered into by the Company with the Subscriber I and the Subscriber II, respectively.

Completion of the Subscription Agreement II

The Board is pleased to announce that the condition precedent under the Subscription Agreement II has been fulfilled and the completion thereof took place on 18 November 2016. Pursuant to the Subscription Agreement II, 549,066,000 Shares have been allotted and issued to the Subscriber II (Ms. Liu Qihua (劉秋華)) at the subscription price of HK\$0.225 each.

The net proceeds from the Subscription, after deducting related expenses, is approximately HK\$123,500,000, which is intended to be used as the start-up capital for the strategic cooperation with Huimin and/or as working capital for business development and/or for financing any future acquisitions or investments.

Lapse of the Subscription Agreement I

The Board also announces that the parties to the Subscription Agreement I decided not to proceed with the Subscription I following the expiry of the long stop date of 18 November 2016, the Subscription Agreement I lapsed and became null and void forthwith on 18 November 2016 and both parties thereto were released from all obligations thereunder.

THE NEW SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 18 November 2016 (after trading hours), the Company entered into the New Subscription Agreements with each of the New Subscribers respectively whereby the New Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 255,760,000 Subscription Shares at the Subscription Price of HK\$0.229 per Subscription Share.

Date:

18 November 2016 (after trading hours)

Parties to the New Subscription Agreement I

- (i) the Company; and
- (ii) the New Subscriber I.

Parties to the New Subscription Agreement II

- (i) the Company; and
- (ii) the New Subscriber II.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, save for the New Subscriber I being a Shareholder holding 1,400,000 Shares as at the date hereof, both New Subscribers are Independent Third Parties.

The New Subscriptions

Pursuant to the New Subscription Agreement I, the Company agreed to issue (pursuant to the General Mandate), and the New Subscriber I agreed to subscribe for, 138,000,000 Subscription Shares at the Subscription Price (payable in full at Completion).

Pursuant to the New Subscription Agreement II, the Company agreed to issue (pursuant to the General Mandate), and the New Subscriber II agreed to subscribe for, 117,760,000 Subscription Shares at the Subscription Price (payable in full at Completion).

The Subscription Shares

The total number of the Subscription Shares is 255,760,000 Shares, which represents approximately 5.59% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.30% of the enlarged issued share capital of the Company immediately following Completion of the New Subscriptions (assuming that there are no other changes in the share capital of the Company between the date of the New Subscription Agreements and the date of Completion).

The aggregate nominal value of the Subscription Shares is HK\$2,557,600.

The Subscription Price

The Subscription Price of HK\$0.229 per Subscription Share represents:

- (i) a discount of approximately 19.65% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on 18 November 2016, being the date of the New Subscription Agreements;
- (ii) a discount of approximately 19.65% to the average of the closing price of HK\$0.285 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the New Subscription Agreements; and
- (iii) a discount of approximately 15.72% to the average of the closing price of HK\$0.2717 per Share quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the New Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$0.2287 per Subscription Share. The aggregate amount under the New Subscriptions of HK\$58,569,040 is payable in cash by the New Subscribers on or before Completion in respect of the respective New Subscriptions.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the New Subscribers taking into account the prevailing market price of the Shares and the Group's historical performances. The Board (including all independent non-executive Directors) considers that the Subscription Price and the terms of the New Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with Shares in issue at the time of allotment and issue of the Subscription Shares.

Condition Precedent

Completion of each of the New Subscription Agreements is conditional upon the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Subscription Shares and such listing and permission not being subsequently revoked prior to Completion in respect of the respective New Subscriptions.

In the event that the above Condition Precedent cannot be fulfilled on or before 16 December 2016, each of the New Subscription Agreements will lapse and become null and void forthwith and the parties thereto shall be released from all obligations thereunder.

Completion of each of the New Subscriptions shall take place within three (3) business days after fulfilment of the Condition Precedent or any other date as agreed by the parties to the respective New Subscription Agreements in writing.

General Mandate to Issue Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate and will not be subject to further Shareholders' approval. The General Mandate will be utilised as to 99.99% upon allotment and issuance of the Subscription Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Reasons for the New Subscriptions and Use of Proceeds

The Company is a company incorporated under the laws of the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in trading businesses across Asia and investment in unconventional gas business in the PRC.

The Directors consider that the New Subscriptions will provide additional funding for the Company's business operation and also strengthen the capital base of the Company. The Directors (including all of the independent non-executive Directors) are of the view that the New Subscriptions are in the interests of the Company and the Shareholders as a whole and the issue of the Subscription Shares is an appropriate means of raising additional capital for the Company since it will provide the Company with immediate funding and the capital base of the Company will be enlarged. The Directors consider that the terms of each of the New Subscription Agreements are fair and reasonable.

The aggregate gross proceeds of the New Subscriptions will amount to HK\$58,569,040 and the aggregate net proceeds, after the deduction of the related expenses, will be approximately HK\$58,500,000, representing a net Subscription Price of approximately HK\$0.2287 per Subscription Share. The Company intends to use the net proceeds from the New Subscriptions as the start-up capital for the strategic cooperation with Huimin, for financing any potential investment or acquisition shall such opportunity arises in the future and/or general working capital purposes.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months immediately prior to the date of this announcement:

Date of announcement	Description of fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
20 October 2016 and 18 November 2016	Subscription for new Shares under the General Mandate	HK\$123,500,000	As the start-up capital for the strategic cooperation with Huimin, for financing any potential investment or acquisition and/or general working capital purposes	Not yet utilised
1 November 2016	Completion of the second tranche of the 2016 Share Placement	HK\$6,650,000	For general working capital purposes and/or financing any potential investment or acquisition	Not yet utilised
1 November 2016	Completion of the 2015 Share Placement	HK\$30,150,000	For general working capital purposes and/or financing any potential investment or acquisition	For general working capital purpose of HK\$5 million, and the rest of HK\$25.15 million has not yet been utilised
26 August 2016	Completion of the first tranche of the 2016 Share Placement	HK\$15,600,000	For general working capital purposes and/or financing any potential investment	For general working capital purpose of HK\$15.6 million
6 and 16 May 2016	Subscription for new Shares under general mandate	HK\$9,825,000	For general working capital purposes and/or financing any potential investment	For general working capital purpose of HK\$9.8 million
18 and 25 January 2016	Subscription for new Shares under general mandate	HK\$5,054,000	For general working capital purposes and/or financing any potential investment	For general working capital purpose of HK\$5 million

SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the table below sets out the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately following completion of the New Subscriptions:

Shareholder	As at the date of this announcement		Immediately following completion of the New Subscriptions	
	Number of Shares	Approximate shareholding percentage %	Number of Shares	Approximate shareholding percentage %
Substantial Shareholder				
Subscriber II	717,634,000	15.69	717,634,000	14.86
Directors				
Mr. Gao Feng (Note 1)	178,000,000	3.89	178,000,000	3.69
Mr. Li Du (Note 2)	20,000,000	0.44	20,000,000	0.41
Public				
– New Subscriber I	1,400,000	0.03	139,400,000	2.89
– New Subscriber II	–	–	117,760,000	2.44
Others	<u>3,656,162,400</u>	<u>79.95</u>	<u>3,656,162,400</u>	<u>75.71</u>
Total	<u><u>4,573,196,400</u></u>	<u><u>100.00</u></u>	<u><u>4,828,956,400</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Gao Feng, being an executive Director, is beneficially interested in the entire issued share capital of ACE Channel Limited, which holds 178,000,000 Shares as at the date of this announcement.
2. Mr. Li Du, being a non-executive Director, has personal interest in 13,000,000 Shares and family interest through his spouse in 7,000,000 Shares as at the date of this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 1:00 p.m. on Friday, 18 November 2016 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Monday, 21 November 2016.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context otherwise requires:

“2015 Placement”	the placement of 138,568,000 existing Shares at HK\$0.220 per Share under the tri-party agreement dated 18 June 2015 among Sino Rich Energy Holdings Limited, Jetgo Group Limited and Prominence Financials Limited;
“2016 Placement”	the placement of 151,052,000 existing Shares at HK\$0.131 per Share (as subsequently adjusted to HK\$0.225 per Share each) under the tri-party agreement dated 28 June 2016 among the Company, Sino Wealth Securities Limited and the trustees of Mr. Hung Chen Richael (as amended and supplemented by a supplemental agreement thereto dated 18 October 2016 between the Company and Sino Wealth Securities Limited);
“Board”	the board of Directors;
“Business Day”	a day (excluding Saturday) on which banks in Hong Kong are generally open for business throughout their normal business hours;
“Company”	Sino Resources Group Limited (carry on business in Hong Kong as Sino Gp Limited), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	completion of the New Subscriptions pursuant to each of the New Subscription Agreements;
“Condition Precedent”	the condition precedent in respect of the Completion set out in each of the New Subscription Agreements;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 15 September 2016 to allot, issue or otherwise deal in up to 804,826,080 new Shares;
“Group”	the Company together with its subsidiaries;

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huimin”	中商惠民（北京）電子商務有限公司 (Zhongshang Huimin (Beijing) E-Commerce Co. Ltd.*), a company established and existing under the laws of the PRC;
“Independent Third Party”	a third party(ies) who is/are independent of the Company and not a connected person of the Company as defined under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Subscriber I”	Ms. Lin Xiaoling (林小玲), a PRC resident and, save for being a Shareholder of 1,400,000 Shares as at the date hereof, an Independent Third Party;
“New Subscriber II”	Mr. Mo Qingquan (莫慶權), a PRC resident and an Independent Third Party;
“New Subscribers”	collectively, the New Subscriber I and the New Subscriber II;
“New Subscriptions”	the subscription of the Subscription Shares by the New Subscribers pursuant to the New Subscription Agreements;
“New Subscription Agreement I”	the conditional subscription agreement dated 18 November 2016 entered into between the Company and the New Subscriber I in relation to the subscription of 138,000,000 Subscription Shares;
“New Subscription Agreement II”	the conditional subscription agreement dated 18 November 2016 entered into between the Company and the New Subscriber II in relation to the subscription of 117,760,000 Subscription Shares;
“New Subscription Agreements”	collectively, the New Subscription Agreement I and the New Subscription Agreement II;
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;

“Shares”	the ordinary shares of HK\$0.01 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber I”	Ms. Hu Hui Qun (胡慧群), an Australian citizen and an Independent Third Party;
“Subscriber II”	Ms. Liu Qiuhua (劉秋華), a PRC resident and an Independent Third Party;
“Subscription Agreement I”	the conditional subscription agreement dated 18 October 2016 entered into between the Company and the Subscriber I in relation to the subscription of 255,760,000 Subscription Shares, which lapsed and became null and void on 18 November 2016;
“Subscription Agreement II”	the conditional subscription agreement dated 18 October 2016 entered into between the Company and the Subscriber II in relation to the subscription of 549,066,000 Subscription Shares, which completed on 18 November 2016;
“Subscription Price”	the subscription price of HK\$0.229 per Subscription Share;
“Subscription Shares”	the 255,760,000 new and fully paid Shares to be subscribed for by the New Subscribers under the New Subscription Agreements; and
“%”	per cent.

By Order of the Board
Sino Resources Group Limited
(carrying on business in Hong Kong as Sino Gp Limited)
Chow Chi Fai
Company Secretary

Hong Kong, 18 November 2016

As at the date of this announcement, the executive Directors are Mr. Zhang Xiaobin, Mr. Gao Feng and Mr. Chiu Sui Keung, the non-executive Directors are Ms. Geng Ying, Mr. Zhang Yichun, Mr. Shao Zili, Mr. Li Du and Mr. Xie Zhichun and the independent non-executive Directors are Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson, Mr. Wong Hoi Kuen and Dr. Lam Lee G.

* *For identification purposes only*