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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)

PROFIT WARNING

This announcement is made by Sino Resources Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Company and the preliminary review on the Group's unaudited consolidated management accounts for the six months ended 30 September 2016, the Group is expected to record an approximately 80% decrease in revenue for the six months ended 30 September 2016 as compared with that for the six months ended 30 September 2015, but the loss attributable to owners of the Company for the six months ended 30 September 2016 is expected to be approximately 50% lower than that for the six months ended 30 September 2015.

Based on the relevant information currently available to the Company, the Board considers that the decrease in revenue is primarily due to a substantial decrease in volume of commodities traded during the six months ended 30 September 2016. The change in product mix in respect of the trading segment also resulted in an approximately 90% decrease in the gross profit of the Group for the six months ended 30 September 2016 as compared with that for the corresponding period in 2015. The expected decrease in loss attributable to owners of the Company for the six months ended 30 September 2016 is primarily attributable to the share-based payment of approximately HK$21 million which was recognised in the interim results of the Group for the six months ended 30 September 2015.

The Board considers that the continuous shrinkage in the existing businesses resulted in the substantial decrease in the Group's revenue for the six months ended 30 September 2016. In this regard, the Group has been actively conducting adjustment and transformation to its businesses in every aspect, including expanding its existing trading business to best sell daily consuming goods market and considering acquisitions of related business with growth potentials.

The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2016 and other information currently available to the Group, and is not based on any financial data or information that have been audited or reviewed by the auditors of the Company. The interim results announcement of the Company for the six months ended 30 September 2016 will be released on Friday, 25 November 2016.

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, 20 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, Dr. Lam Lee G.

* *For identification purposes only*