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中國礦業資源集團有限公司*
China Mining Resources Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00340)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

PLACING AGENT



THE PLACING

On 11 August 2015 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 4,000,000,000 Placing Shares, to not less than six Placers who and whose ultimate beneficial owners are Independent Third Parties at a price of HK\$0.10 per Placing Share.

The maximum number of 4,000,000,000 Placing Shares represents (i) approximately 30.97% of the existing issued share capital of the Company of 12,914,972,211 Shares as at the date of this announcement; and (ii) approximately 23.65% of the issued share capital of the Company of 16,914,972,211 Shares as enlarged by the Placing (assuming the maximum number of the Placing Shares is placed). The aggregate nominal value of the Placing Shares under the Placing (assuming the maximum number of the Placing Shares is placed) will be HK\$400,000,000.

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

SPECIFIC MANDATE

The Placing Shares shall be allotted and issued under the Specific Mandate. The Company will seek the grant of the Specific Mandate at the SGM.

GENERAL

The SGM will be convened and held to consider and, if thought fit, pass the requisite resolution(s) to approve, among other things, the Placing Agreement and the transactions contemplated thereunder including the allotment and issue of the Placing Shares under the Specific Mandate.

A circular containing, among other things, further details relating to the Placing and the notice of SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

As completion of the Placing is subject to the fulfillment of the conditions precedent in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

11 August 2015 (after trading hours)

Issuer

The Company

Placing Agent

Guoyuan Capital (Hong Kong) Limited, as placing agent for the Company, has conditionally agreed to procure the Placees, on a best effort basis, to subscribe for the Placing Shares.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will receive a placing commission equivalent to 1% of the aggregate of the Placing Price of the Placing Shares actually placed by it at completion of the Placing in accordance with the Placing Agreement. Such placing commission was determined after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

Placees

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Parties.

It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) immediately after completion of the Placing.

Placing Price

The Placing Price of HK\$0.10 per Placing Share represents:

- (i) a discount of approximately 28.6% to the closing price of HK\$0.140 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;
- (ii) a discount of approximately 25.9% to the average closing price of HK\$0.135 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Placing Agreement; and
- (iii) a discount of approximately 25.5% to the average closing price of HK\$0.134 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Placing Agreement.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent and was determined with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The maximum number of 4,000,000,000 Placing Shares represents (i) approximately 30.97% of the existing issued share capital of the Company of 12,914,972,211 Shares as at the date of this announcement; and (ii) approximately 23.65% of the issued share capital of the Company of 16,914,972,211 Shares as enlarged by the Placing (assuming the maximum number of the Placing Shares is placed). The aggregate nominal value of the Placing Shares under the Placing (assuming the maximum number of the Placing Shares is placed) will be HK\$400,000,000.

Ranking

The Placing Shares, upon issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Conditions precedent

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares on the Stock Exchange; and
- (ii) the passing of the resolution(s) by the Shareholders to approve the Placing Agreement and the transactions contemplated thereunder, including the Specific Mandate at the SGM.

None of the above conditions can be waived by any party to the Placing Agreement.

In the event that the above conditions are not fulfilled on or before the Long Stop Date, the Placing Agreement and all rights and obligations thereunder will cease and terminate and none of the Placing Agent or the Company will have any claim against the other for costs, damages, compensation or otherwise except for antecedent breach of provisions of the Placing Agreement.

Completion

Completion of the Placing shall take place on the Completion Date.

Application for listing

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

Termination

If at any time prior to the completion of the Placing, in the opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than three trading days (other than in connection with the Placing); or
- (iii) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or

- (iv) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (v) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (vi) a change or development involving a prospective change in taxation in Hong Kong, Bermuda or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective Shareholders in their capacity as such; or
- (vii) any change or deterioration in the conditions of local, national or international securities markets,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

REASONS FOR THE PLACING

The principal business activities of the Group are production and sales of tea. The Group was also engaged in mining, processing and sales of molybdenum and online video broadcasting which were discontinued during the year ended 31 December 2014. Since the disposal of the Group's interest in the mining, processing and sales of molybdenum business, the Group has been actively exploring possible new investment opportunities including opportunities in the mining sector or other profitable investment opportunities that are in line with the Group's development strategy to diversify the Group's business stream, steadily developing the Group's tea business, and thereby further expand the Group's source of revenue, enhance the Group's profitability, so as to enhance the long-term benefits of the Company and the Shareholders as a whole.

The Directors are of the view that, the Placing represents a good opportunity to raise additional funds for the Company to enhance its working capital base, to broaden its Shareholders' base and to finance any business or investment opportunities in a timely manner without increasing the interest burden of the Group. As such, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming the maximum number of the Placing Shares are successfully placed at the Placing Price, the gross proceeds and net proceeds from the issue of the Placing Shares will be approximately HK\$400 million and approximately HK\$396 million, respectively, and the net placing price for the Placing Shares will be approximately HK\$0.10 per Placing Share. The net proceeds from the Placing are intended to be used as to (i) approximately HK\$346 million for funding any future business development and/or potential investment opportunities as described above; and (ii) approximately HK\$50 million for general working capital of the Company.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in relation to issue of equity securities in the past twelve months prior to the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change in the shareholding structure of the Company immediately before completion of the Placing and the maximum number of the Placing Shares are successfully placed by the Placing Agent, the effects of the Placing on the shareholding structure of the Company are set out in the table below:

| Shareholders | As at the date of this announcement | | Immediately after the allotment and issue of the Placing Shares | |
|---------------------|--|----------------------|---|----------------------|
| | <i>No. of Shares</i> | <i>%</i> | <i>No. of Shares</i> | <i>%</i> |
| Ms. Ho Ping Tanya | 3,300,000,000 | 25.55 | 3,300,000,000 | 19.51 |
| Placees | — | — | 4,000,000,000 | 23.65 |
| Public Shareholders | <u>9,614,972,211</u> | <u>74.45</u> | <u>9,614,972,211</u> | <u>56.84</u> |
| Total | <u><u>12,914,972,211</u></u> | <u><u>100.00</u></u> | <u><u>16,914,972,211</u></u> | <u><u>100.00</u></u> |

SPECIFIC MANDATE

The Placing Shares shall be allotted and issued under the Specific Mandate. The Company will seek the grant of the Specific Mandate at the SGM.

GENERAL

The SGM will be convened and held to consider and, if thought fit, pass the requisite resolution(s) to approve, among other things, the Placing Agreement and the transactions contemplated thereunder including the allotment and issue of the Placing Shares under the Specific Mandate.

A circular containing, among other things, further details relating to the Placing Agreement and the notice of SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

As completion of the Placing is subject to the fulfillment of the conditions precedent in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

| | |
|-------------------|---|
| “Board” | the board of Directors |
| “Business Day” | any day (except a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “Company” | China Mining Resources Group Limited (中國礦業資源集團有限公司*), a limited company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange |
| “Completion Date” | a day as soon as possible following the satisfaction of the conditions precedent to the Placing and in any event not later than the third Business Day after the satisfaction of the conditions precedent to the Placing (or such other date as the Company and the Placing Agent may agree in writing) |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |

| | |
|--------------------------------|---|
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its subsidiaries and not connected nor acting in concert with any of the connected persons of the Company or any of their respective associates |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | the date falling three months after the date of the Placing Agreement, or such other date as the Placing Agent and the Company may agree in writing |
| “Placee(s)” | any individual(s), corporate(s), institutional or other professional investor(s) procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agreement |
| “Placing” | the placing of up to 4,000,000,000 Placing Shares by the Placing Agent, on a best effort basis, pursuant to the terms of the Placing Agreement |
| “Placing Agent” | Guoyuan Capital (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) |
| “Placing Agreement” | the conditional placing agreement entered into between the Company and the Placing Agent on 11 August 2015 in relation to the Placing |
| “Placing Price” | HK\$0.10 per Placing Share |
| “Placing Share(s)” | a maximum of 4,000,000,000 new Shares to be placed by the Placing Agent pursuant to the Placing Agreement |
| “PRC” | the People’s Republic of China |
| “SGM” | a special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to pass the requisite resolution(s) to approve, among other things, the Placing Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placing Shares under the Specific Mandate |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |

| | |
|--------------------|--|
| “Specific Mandate” | the specific mandate to be granted to the Board by the Shareholders at the SGM for the allotment and issue of up to 4,000,000,000 Placing Shares |
| “Stock Exchange” | the Stock Exchange of Hong Kong Limited |
| “%” | per cent |

By Order of the Board
China Mining Resources Group Limited
Wang Hui
Executive Director and Chief Executive Officer

Hong Kong, 11 August 2015

As at the date of this announcement, the Board comprises Mr. Wang Hui, Mr. Fang Yi Quan and Mr. Yeung Kwok Kuen as executive Directors, Mr. Chong Cha Hwa, Mr. Chu Kang Nam and Mr. Ngai Sai Chuen as independent non-executive Directors.

* *For identification purpose only*