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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)**

**PROPOSED SHARE CONSOLIDATION**

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The Board proposes to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of (i) every ten Existing Ordinary Shares of HK\$0.01 each into one Consolidated Ordinary Share of HK\$0.10; and (ii) every ten Existing Preference Shares of HK\$0.01 each into one Consolidated Preference Share of HK\$0.10.

As at the date of this announcement, the authorised share capital of the Company is HK\$5,000,000,000, comprising of (i) 462,238,100,000 Existing Ordinary Shares of HK\$0.01 each, of which 28,422,722,211 Existing Ordinary Shares have been issued and are fully paid or credited as fully paid, and (ii) 37,761,900,000 Existing Preference Shares of HK\$0.01 each, of which no Existing Preference Shares are in issue. Assuming no further Existing Shares will be issued or repurchased between the date of this announcement and the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$5,000,000,000, comprising of (i) 46,223,810,000 Consolidated Ordinary Shares of HK\$0.10 each, of which 2,842,272,221.1 Consolidated Ordinary Shares (which are fully paid or credited as fully paid) will be in issue, and (ii) 3,776,190,000 Consolidated Preference Shares of HK\$0.10 each, none of which will be in issue.

**GENERAL**

The proposed Share Consolidation will be proposed at the SGM for Shareholders' consideration and, if thought fit, approval. The Circular in relation to the SGM containing, among other things, further details of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or around Thursday, 29 March 2018.

\* For identification purposes only

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation whereby (i) every ten Existing Ordinary Shares of HK\$0.01 each will be consolidated into one Consolidated Ordinary Share of HK\$0.10; and (ii) every ten Existing Preference Shares of HK\$0.01 each will be consolidated into one Consolidated Preference Share of HK\$0.10.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$5,000,000,000, comprising of (i) 462,238,100,000 Existing Ordinary Shares of HK\$0.01 each, of which 28,422,722,211 Existing Ordinary Shares have been issued and are fully paid or credited as fully paid, and (ii) 37,761,900,000 Existing Preference Shares of HK\$0.01 each, of which no Existing Preference Shares are in issue. Assuming no further Existing Shares will be issued or repurchased between the date of this announcement and the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$5,000,000,000, comprising of (i) 46,223,810,000 Consolidated Ordinary Shares of HK\$0.10 each, of which 2,842,272,221.1 Consolidated Ordinary Shares (which are fully paid or credited as fully paid) will be in issue, and (ii) 3,776,190,000 Consolidated Preference Shares of HK\$0.10 each, of which none will be in issue. Upon the Share Consolidation becoming effective, the Consolidated Ordinary Shares shall rank *pari passu* in all respects with each other and the Consolidated Preference Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

### **Conditions of the Share Consolidation**

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Ordinary Shares.

The Share Consolidation will become effective on the next Business Day immediately following the fulfilment of the above conditions.

## **Listing Application**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Ordinary Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Ordinary Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Ordinary Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Ordinary Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Ordinary Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Ordinary Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Adjustments in relation to other securities of the Company**

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

## **REASONS FOR THE SHARE CONSOLIDATION**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. Recently, the Stock Exchange has raised its concern under Rule 13.64 of the Listing Rules as the share price of the Company below HK\$0.10 is close to the extremity of HK\$0.01. In this regard, the Share Consolidation would enable the Company to comply with the trading requirements of the Listing Rules.

As at the date of this announcement, the Company does not have any plan or intention of future corporate actions including but not limited to fund raising exercises which will further change the trading arrangement of the Company in the next 12 months. However, the Directors consider that they will contemplate fund raising activities whenever they think reasonably necessary.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

The Board considers that the Share Consolidation is essential to achieve the above-mentioned purpose. Taking into account the potential benefits and the insubstantial amount of costs to be incurred, the Board is of the view that the Share Consolidation is in the best interest of the Company and the Shareholders as a whole.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Ordinary Shares following the Share Consolidation**

Fractional Consolidated Ordinary Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Ordinary Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Ordinary Shares will only arise in respect of the entire shareholding of a holder of the Existing Ordinary Shares of the Company regardless of the number of share certificates held by such holder.

### **Board lot size**

Currently, the Existing Ordinary Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Ordinary Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Ordinary Shares will remain as 2,000 Consolidated Ordinary Shares.

Based on the closing price of HK\$0.093 per Existing Ordinary Share (equivalent to the theoretical closing price of HK\$0.930 per Consolidated Ordinary Share) as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of the Existing Ordinary Shares is HK\$186 and the theoretical market value of each board lot of the Consolidated Ordinary Shares, assuming the Share Consolidation had become effective, would be HK\$1,860.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Ordinary Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Ordinary Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Ordinary Shares. Details of the odd lot arrangement will be set out in the Circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Ordinary Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Ordinary Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

## **Exchange of share certificates for Consolidated Ordinary Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Monday, 30 April 2018, being the Business Day immediately after the date of the SGM, Shareholders may during the period from Monday, 30 April 2018 to Thursday, 7 June 2018 (both days inclusive), submit their existing share certificates in beige colour for the Existing Ordinary Shares to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong to exchange for new share certificates in green colour for the Consolidated Ordinary Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for each existing share certificate for the Existing Ordinary Shares submitted for cancellation or each new share certificate issued for the Consolidated Ordinary Shares, whichever the number of share certificates involved is higher.

After 5 June 2018, trading will only be in Consolidated Ordinary Shares which share certificates will be issued in green colour. Existing share certificates in beige colour for the Existing Ordinary Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

### **EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

#### **Event Date**

Expected despatch date of circular with notice of the SGM..... Thursday, 29 March 2018

Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM ..... 4:00 p.m. on Monday, 23 April 2018

Closure of register of members for determining the entitlement to attend and vote at the SGM ..... from Tuesday, 24 April 2018 to Friday, 27 April 2018 (both days inclusive)

Latest date and time for lodging forms of proxy for the SGM (not less than 48 hours prior to the time of the SGM) ..... 3:00 p.m. on Wednesday, 25 April 2018

Expected date of the SGM.....	3:00 p.m. on Friday, 27 April 2018 (or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be held on Friday, 27 April 2018 at 2:30 p.m.)
Announcement of poll results of the SGM.....	Friday, 27 April 2018
Effective date of the Share Consolidation.....	Monday, 30 April 2018
Dealing in the Consolidated Ordinary Shares commences.....	9:00 a.m. on Monday, 30 April 2018
Original counter for trading in the Existing Ordinary Shares in board lots of 2,000 Existing Ordinary Shares (in the form of existing share certificates) temporarily closes.....	9:00 a.m. on Monday, 30 April 2018
Temporary counter for trading in the Consolidated Ordinary Shares in board lots of 200 Consolidated Ordinary Shares (in the form of existing share certificates) opens.....	9:00 a.m. on Monday, 30 April 2018
First day of free exchange of existing share certificates for new share certificates for the Consolidated Ordinary Shares.....	Monday, 30 April 2018
Original counter for trading in the Consolidated Ordinary Shares in board lots of 2,000 Consolidated Ordinary Shares (in the form of existing share certificates) re-opens.....	9:00 a.m. on Tuesday, 15 May 2018
Parallel trading in the Consolidated Ordinary Shares (in the form of new share certificates for the Consolidated Ordinary Shares and existing share certificates) commences.....	9:00 a.m. on Tuesday, 15 May 2018
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Ordinary Shares.....	9:00 a.m. on Tuesday, 15 May 2018
Temporary counter for trading in the Consolidated Ordinary Shares in board lots of 200 Consolidated Ordinary Shares (in the form of existing share certificates) closes.....	4:00 p.m. on Tuesday, 5 June 2018
Parallel trading in the Consolidated Ordinary Shares (in the form of new share certificates for the Consolidated Ordinary Shares and existing share certificates) ends.....	4:00 p.m. on Tuesday, 5 June 2018

Designated broker ceases to stand in the market to  
provide matching services for odd lots of the  
Consolidated Ordinary Shares .....4:00 p.m. on Tuesday, 5 June 2018

Last day for free exchange of existing share certificates  
for new share certificates for the Consolidated Ordinary Shares ..... Thursday, 7 June 2018

## **GENERAL**

The proposed Share Consolidation will be proposed at the SGM for Shareholders' consideration and, if thought fit, approval. The Circular in relation to the SGM containing, among other things, further details of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or around Thursday, 29 March 2018.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	means the circular to be despatched to the Shareholders containing, among other things, details of the proposed Share Consolidation and the notice of the SGM
“Company”	China Mining Resources Group Limited, a company incorporated in Bermuda with limited liability and the issued ordinary Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Ordinary Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company after the Share Consolidation becoming effective, whether issued or unissued
“Consolidated Preference Share(s)”	convertible preference share(s) of HK\$0.10 each in the capital of the Company after the Share Consolidation becoming effective, whether issued or unissued

“Consolidated Share(s)”	collectively, the Consolidated Ordinary Shares and the Consolidated Preference Shares
“Director(s)”	director(s) of the Company
“Existing Ordinary Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company before the Share Consolidation becoming effective, whether issued or unissued
“Existing Preference Share(s)”	convertible preference share(s) of HK\$0.01 each in the capital of the Company before the Share Consolidation becoming effective, whether issued or unissued
“Existing Share(s)”	collectively, the Existing Ordinary Shares and Existing Preference Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held on Friday, 27 April 2018 at 3:00 p.m. (or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be held on Friday, 27 April 2018 at 2:30 p.m.)
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be, whether issued or unissued



“Share Consolidation” the proposed consolidation of: (i) every ten Existing Ordinary Shares of HK\$0.01 each in the capital of the Company into one Consolidated Ordinary Share of HK\$0.10; and (ii) every ten Existing Preference Shares of HK\$0.01 each in the capital of the Company into one Consolidated Preference Share of HK\$0.10

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board  
**China Mining Resources Group Limited**  
**Yeung Kwok Kuen**  
*Executive Director and Chief Financial Officer*

Hong Kong, 20 March 2018

*As at the date of this announcement, the board of directors of the Company comprises Mr. Fang Yi Quan, Mr. Yeung Kwok Kuen, Mr. Shi Xing Zhi and Mr. Shi Sheng Li as executive Directors, Mr. Chu Kang Nam, Mr. Ngai Sai Chuen, Mr. Liang Xu Shu and Mr. Leung Ka Wo as independent non-executive Directors.*