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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)

**UPDATE ON MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF THE REMAINING INTEREST
IN THE TARGET COMPANY**

Financial Adviser



信溢投資策劃有限公司
CHALLENGE CAPITAL MANAGEMENT LIMITED

Reference is made to the announcement of the Company dated 4 August 2016 in relation to the Acquisition (the “**Announcement**”). Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise specified.

On 26 October 2016 (after trading hours), the Purchaser (being a direct wholly-owned subsidiary of the Company), the Vendors and the Guarantors entered into a supplemental agreement to the Agreement (the “**Supplemental Agreement**”), pursuant to which the parties agreed to amend and modify (i) the Consideration and payment terms; (ii) the Long Stop Date; and (iii) a condition precedent as follows:

(I) Consideration and Payment Terms

The Consideration originally was HK\$438,000,000. Pursuant to the Supplemental Agreement, the Consideration shall be HK\$360,620,000 which was determined based on the Listing Rules Valuation.

The Consideration will be settled by the Purchaser in the following manner:

- (i) HK\$80,000,000 has been paid in cash by the Purchaser to Forever Success (or its designated nominee) within five Business Days from the date of the Agreement as a refundable deposit for the Acquisition; and

* *For identification purpose only*

- (ii) HK\$280,620,000 by the allotment and issue of an aggregate 3,507,750,000 Consideration Shares by the Company at the Issue Price of HK\$0.08 per Consideration Share on the Completion Date, of which 1,655,250,000 Shares shall be issued to Forever Success and 1,852,500,000 Shares shall be issued to Supreme Success.

(II) Long Stop Date

The Long Stop Date has been changed from 31 December 2016 to 31 March 2017.

(III) Condition Precedent

One of the conditions precedent of the Agreement has been changed from

“the Purchaser shall have received a report on the Market Valuation of the Target Group issued by GCA which is in full compliance with the VALMIN Code and in form and substance satisfactory to the Purchaser showing the Market Valuation of the Target Group to be not less than HK\$600 million”

to

“the Purchaser shall have received the Valuation Report on the Target Group issued by GCA which is in full compliance with the Listing Rules and the VALMIN Code and in form and substance satisfactory to the Purchaser”.

Save for the changes mentioned above, all other terms of the Agreement remain unchanged.

Reasons for entering into Supplemental Agreement

By entering into the Supplemental Agreement, the Consideration is now determined based on the Listing Rules Valuation in accordance with the Listing Rules. The terms of the Supplemental Agreement were arrived at after arm’s length negotiations between the Vendors, the Purchaser and the Guarantors. The Board is therefore of the view that the terms of the Supplemental Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

As Completion is subject to the fulfillment of a number of conditions precedent which are detailed in the Announcement and this announcement, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

By Order of the Board
China Mining Resources Group Limited
Yeung Kwok Kuen
Executive Director

Hong Kong, 26 October 2016

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.