
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Mining Resources Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF
75.08% EQUITY INTERESTS IN HARBIN SONGJIANG
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of China Mining Resources Group Limited to be held at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong on Thursday, 9 October 2014 at 2:30 p.m. is set out on pages 24 to 25 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited of 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial information of the Group	15
Appendix II — General information	18
Notice of SGM	24

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 3 September 2014
“Board”	the board of Directors
“Company”	China Mining Resources Group Limited (中國礦業資源集團有限公司*), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of RMB90,096,000 payable by the Purchaser to the Company for the Disposal pursuant to the Disposal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of 75.08% equity interests in Harbin Songjiang by the Company to the Purchaser pursuant to the terms of the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 3 September 2014 entered into among the Company, the Purchaser and the Guarantor in relation to the Disposal
“Exploitation Rights”	the exploitation rights on the mining sites in the PRC held by Harbin Songjiang
“Group”	the Company and its subsidiaries
“Guarantor”	宋建輝 (Song Jin Fei*), being the ultimate beneficial owner of the Purchaser, and an Independent Third Party

* For identification purposes only

DEFINITIONS

“Harbin Songjiang”	哈爾濱松江銅業(集團)有限公司 (Harbin Songjiang Copper (Group) Company Limited*), a limited company established in the PRC, and held as to 75.08% by the Company and as to 24.92% by another Independent Third Party
“Harbin Songjiang Group”	Harbin Songjiang and its subsidiaries
“HKAS”	Hong Kong Accounting Standards
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Latest Practicable Date”	18 September 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in the circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mining Rights”	the mining rights on the mining sites in the PRC held by Harbin Songjiang
“PRC”	The People’s Republic of China
“Purchaser”	哈爾濱金雨礦業有限公司 (Harbin Jinyu Mining Co., Ltd.*), a company established in the PRC with limited liability and is an Independent Third Party
“Remaining Group”	The Group excluding Harbin Songjiang Group
“RMB”	Renminbi, the lawful currency of the PRC

* For identification purposes only

DEFINITIONS

“Sale Interests”	the 75.08% equity interests of Harbin Songjiang to be disposed of by the Company to the Purchaser
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder by the Shareholders
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For illustration purposes, figures in RMB in this circular have been translated into HK\$ at the exchange rate of RMB1.00 = HK\$1.2594. Such conversion shall not be construed as a representation that amounts in RMB were or may have been converted into HK\$ using such exchange rate or any other exchange rate or at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Hui
Mr. Fang Yi Quan

Independent Non-Executive Directors:

Mr. Chong Cha Hwa
Mr. Chu Kang Nam
Mr. Ngai Sai Chuen

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal
place of business:*

Room 1306, 13th Floor
Bank of America Tower
12 Harcourt Road, Admiralty
Hong Kong

22 September 2014

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
75.08% EQUITY INTERESTS IN HARBIN SONGJIANG
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement whereby the Board announced that, on 3 September 2014, the Company entered into the Disposal Agreement with the Purchaser and the Guarantor, pursuant to which the Company conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the 75.08% equity interests in Harbin Songjiang, at the Consideration of RMB90,096,000.

* For identification purposes only

LETTER FROM THE BOARD

The purpose of this circular is to give you further details of the Disposal Agreement and the transactions contemplated under the Disposal Agreement and to give you the notice of the SGM.

THE DISPOSAL

The Disposal Agreement

Date

3 September 2014 (after trading hours)

Parties

The Vendor: the Company

The Purchaser: 哈爾濱金雨礦業有限公司 (Harbin Jinyu Mining Co., Ltd.*), being the purchaser of the Disposal, and is wholly owned by the Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, (i) the Purchaser together with its ultimate beneficial owner (the Guarantor) were Independent Third Parties; and (ii) the Purchaser was a company established in the PRC and was principally engaged in mining and processing of molybdenum, copper and zinc, of which molybdenum accounts for the majority of its production and earnings in Harbin, PRC; and (iii) save that the Purchaser had acquired Harbin Xiaoling Iron & Zinc Co., Ltd. (a former wholly-owned subsidiary of Harbin Songjiang) on 1 July 2011, details of which were disclosed in the Company's annual report in 2011, the Purchaser and its ultimate beneficial owner (the Guarantor) did not have any prior business or other relationship with the Company and its connected person.

* For identification purposes only

LETTER FROM THE BOARD

The Guarantor: 宋建輝 (Mr. Song Jian Hui*), being the ultimate beneficial owner of the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Guarantor is a businessman who mainly engaged in investment in mining operations and mortgage business. It is the Guarantor who directly approached Mr. Yin Guangyuan (the managing director of Harbin Songjiang) for the potential acquisition of Harbin Songjiang and Mr. Yin then referred the Guarantor to the Company in July 2014.

Asset to be disposed of

The Sale Interests, representing 75.08% of the equity interests of Harbin Songjiang

Consideration and Payment Terms

The Consideration of RMB90,096,000 will be payable by the Purchaser to the Company in cash within ten (10) business days after the date the last conditions precedent to the Disposal has been fulfilled.

As disclosed above, the Guarantor had directly approached Mr. Yin Guangyuan (the managing director of Harbin Songjiang) for his interest in the potential acquisition of Harbin Songjiang and the consideration proposed by the Purchaser (after further arm's length negotiation between the Company and the Purchaser) is the best offer available at the then current market condition, taking into account of (i) the net liabilities position of the Harbin Songjiang Group as at 30 June 2014; (ii) the weak historical financial performance, earning potentials and the operating loss of the Harbin Songjiang Group; (iii) the continuous decrease in the selling price of ferro molybdenum; (iv) the future trend of molybdenum industry; and (v) the future prospects of the Harbin Songjiang Group. The Directors (including all independent non-executive Directors) are of the view that the Consideration is fair and reasonable and it is in the interests of the Company and its Shareholders as a whole to realize the value of its equity interests in Harbin Songjiang when this selling opportunity arises.

Conditions precedent

Completion of the Disposal is conditional upon the satisfaction of all of the following:

- (i) the consent and waiver of pre-emption right (if any) from the other shareholders of Harbin Songjiang are being obtained;

* For identification purposes only

LETTER FROM THE BOARD

- (ii) the passing of an ordinary resolution of the Shareholders at the SGM approving the Disposal; and
- (iii) the approval by the commercial authority of Harbin Songjiang is being obtained.

None of the above conditions can be waived by the parties. As at the Latest Practicable Date, condition (i) had been fulfilled. Completion of the Disposal shall take place within fifteen (15) business days after the date the last conditions precedent set out above has been satisfied and the parties shall attend to the registration of the same with, inter alia, the State Administration of Foreign Exchange and the local branch of the State Administration of Industry and Commerce.

If the conditions are not satisfied on or before 31 December 2014 or such later date as the parties may otherwise agree, neither the Company nor the Purchaser shall be obliged to proceed with completion.

INFORMATION ON HARBIN SONGJIANG

Harbin Songjiang was established in the PRC in January 1972 under the name of (Songjiang Copper Mine) as a state owned enterprise. In April 2005, Harbin Songjiang was converted into a non-state owned limited liability company. The Company acquired 75.08% equity interests in Harbin Songjiang at a consideration of RMB1,807,881,000 in 2007. As at the Latest Practicable Date, Harbin Songjiang was owned as to 75.08% by the Company and 24.92% by an Independent Third Party.

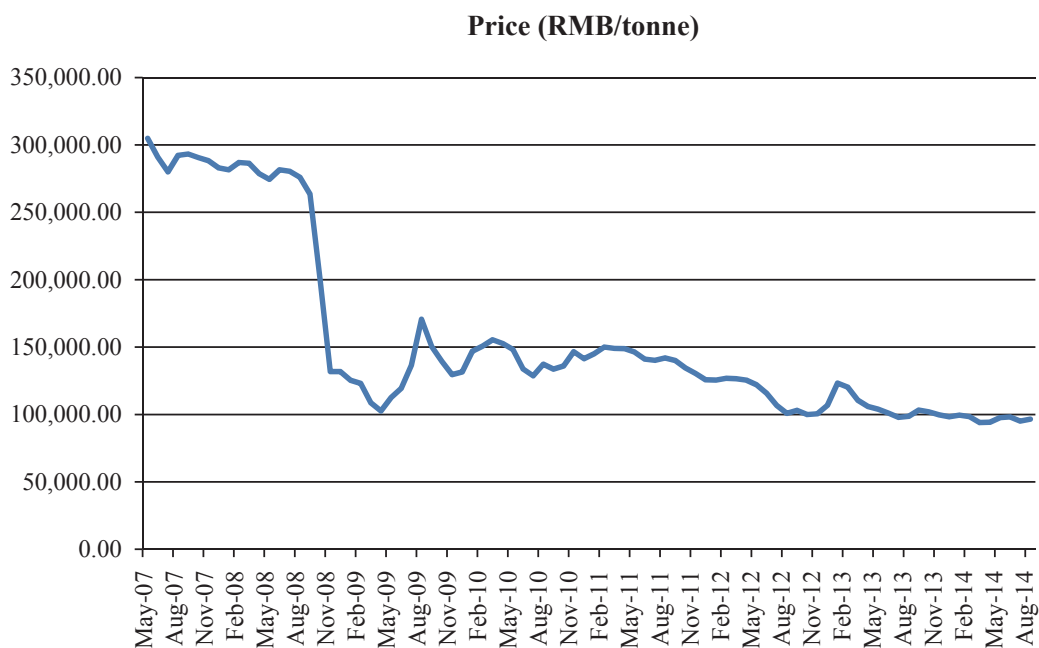
Harbin Songjiang is based in Harbin, Heilongjiang Province, the PRC and is principally engaged in mining and processing of molybdenum. In addition, Harbin Songjiang is the holder of Mining Rights and Exploration Rights of several mining sites in the PRC.

According to the consolidated financial statements of the Harbin Songjiang Group, the net profit for the year ended 31 December 2007 was approximately RMB401,356,000, the financial performance of Harbin Songjiang was remarkable until the occurrence of the following:

- (i) global financial crisis in 2008: although the average selling price of ferro molybdenum of Harbin Songjiang increased from RMB279,955 per tonne in July 2007 (around the time of the completion of the acquisition of Harbin Songjiang by the Group) to RMB331,022 per tonne in 2008, after the occurrence of the global financial crisis in 2008, the average selling price of ferro molybdenum of Harbin Songjiang decreased substantially to RMB106,159 per tonne in 2009 and decreased continuously to only RMB96,500 per tonne in August 2014. The price chart below

LETTER FROM THE BOARD

is prepared based on the information from Molyworld for the purpose of illustrating the decreasing trend on the PRC selling price of ferro molybdenum during the period from 2007 to 2014:



Source of information: Molyworld*

* According to the information as disclosed in the website of Molyworld, Molyworld (www.molyworld.com) was set up in late 1999 and is the pioneer of China molybdenum market information provider, which provides accurate and timely market information and industry advisory to around 500 members companies in the PRC.

- (ii) the subsidence of a small area of land discovered above the hollow section of the mine on 14 December 2008, Harbin Songjiang was obliged to accrue cost for land reclamation and cavity refill for its existing mines and approximately HK\$140,967,000 was provided accordingly. In addition, the production of molybdenum was also affected by the subsidence and increasing cost was then incurred by Harbin Songjiang on production safety. Furthermore, in view of the relatively low market price of ferro molybdenum, the production of ferro molybdenum is strategically slowed down by the Group. The production of ferro molybdenum decreased from 2,804 tonnes in 2007 to 338 tonnes in 2013 whereas the production cost increased from HK\$101,995 per tonne in 2007 to HK\$148,313 per tonne in 2013.

Subsequent to the disasters in 2008, in view of the decrease in market price of copper, zinc and iron related products and aging of the mine, the copper mines, zinc mines and iron mines had already been terminated in 2009. In view of the difficulties in maintaining operations in a competitive market with thin profit margin, Harbin Songjiang disposed of Inner Mongolia Zhongrun Magnesium Co., Ltd. in 2009, Harbin Songjiang Copper Enterprise Co. Ltd. in 2010, Harbin Xiaoling Iron & Zinc Co. Ltd. (to the Purchaser) in 2011 and Ejinaqi Qiaolun Engeci Quartz Production Co. Ltd. in 2011, respectively with a gain (loss) on disposal of approximately HK\$79,598,000, HK\$100,649,000, (HK\$2,362,000) and HK\$452,000, respectively being recorded for the relevant financial years.

LETTER FROM THE BOARD

The segment results of the Harbin Songjiang Group since the Group's acquisition in 2007 is as follows:

HK\$'000	For the year ended 31 December						
	2007	2008	2009	2010	2011	2012	2013
Segment result	146,157	(2,555,437)	(579,595)	(2,328)	45,897	6,362	(66,891)

The unaudited net liabilities of the Harbin Songjiang Group as at 30 June 2014 was approximately HK\$211,468,000. Further financial information of the Harbin Songjiang Group is set out as follows:

	For the year ended	
	31 December	
	2013	2012
	HKD\$'000	HKD\$'000
	(audited)	(audited)
Revenue	46,163.8	50,760.9
Loss before taxation	(63,500.5)	(9,143.7)
Net loss after taxation	(63,500.5)	(9,143.7)

FINANCIAL EFFECT OF THE DISPOSAL

The Group has already recognized a substantial impairment loss in respect of the Harbin Songjiang Group to the extent that the carrying amount exceeded its recoverable amount based on the best estimate by the Directors in the past financial years on an annual basis in accordance with, inter alia, HKAS 36 *Impairment of Assets* (details of the significant accounting policies adopted by the Group for its 2013 financial statements, in particular, the standard and principles applied for impairment, has been set out in pages 54-73 of the 2013 annual report of the Company). The total impairment losses recognised in intangible assets, exploration and evaluation assets, exploration rights, property, plant and equipment and prepaid lease payments of Harbin Songjiang for the years from 2008 to 2013 amounted to approximately HK\$3,823,454,000.

In addition, inventories are stated at lower of cost and net realisable value which represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale. Impairment losses of HK\$12,503,000 and HK\$1,318,000 were further recognised in inventories for the year 2012 and 2013, respectively due to the estimated net selling price of ferro molybdenum was lower than their costs.

LETTER FROM THE BOARD

As a result of the Disposal, the Group is expected to record an unaudited gain of the Sale Interests of approximately HK\$838,678,000 which represents the difference between the Consideration of RMB90,096,000 (equivalent to approximately HK\$113.5 million) and the attributable portion of the unaudited net liabilities and other reserves as at 30 June 2014.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain on the Disposal as well as the financial impact on the Group may be different from the above and will be determined based on the financial position of the Harbin Songjiang Group on the date of completion of the Disposal and the review by the Group's auditors upon finalization of the consolidated financial statements of the Group.

Upon completion of the Disposal, (i) the Company will cease to have any interest in Harbin Songjiang, which will cease to be a non wholly-owned subsidiary of the Company; (ii) the financial results of the Harbin Songjiang Group will no longer be consolidated into the consolidated financial statements of the Company; and (iii) Mr. Qiao Hongbo, Mr. Qu Yanchun and Mr. Yin Guangyuan who are directors and/or general manager of Harbin Songjiang, will cease to be the chief executives and senior management of the Group.

USE OF PROCEEDS

As disclosed in the 2013 annual report of the Company, the Group had incurred loss of approximately HK\$344,900,000 during the financial year ended 31 December 2013 and, as of that date, the Group's current liabilities exceeded its current assets by HK\$21,594,000. As at 30 June 2014, the Group's current liabilities still exceeded its current assets by HK\$45,787,000. The Group's ability to continue as a going concern is highly dependent on the ongoing availability of finance to the Group. Therefore, the Company intended to apply all the net proceeds of HK\$111,867,000 (after expenses) from the Disposal as general working capital of the Group so as to increase its cash resources and improve its liquidity. Based on the audited consolidated income statement of the Group for the year ended 31 December 2013, had the completion of the Disposal happened in 2013, it is expected that the turnover of the Group would be decreased by approximately HK\$46.2 million but the net profit of the Group would be increased by approximately HK\$63.5 million and the net assets of the Group would be increased by approximately HK\$321.7 million. The net proceeds from the Disposal will help ease the Company's pressure in raising additional funding for its operations in coming years.

LETTER FROM THE BOARD

REASONS FOR AND BENEFIT OF THE DISPOSAL

The principal business activities of the Group are sale of tea products, mining, processing and sale of molybdenum and online video broadcasting.

Revenue of the Group represents turnover arising on sale of tea products, molybdenum and service income of online video business for the year. An analysis of the Group's revenue for the financial year 2012 and 2013 is as follows:

	For the year ended	
	31 December	
	2013	2012
	HK\$'000	HK\$'000
	(audited)	(audited)
Sales of tea products	140,421	170,870
Sales of molybdenum	46,163	50,761
Online video business ("iTV")	1	15
	<u>186,585</u>	<u>221,646</u>

As disclosed in the 2013 annual report of the Company, there was a significant deterioration of the gross profit margin of the Harbin Songjiang Group as a result of the higher unit production cost of molybdenum which was caused by the significant increase in labour cost and other production costs in Mainland China and the continuous decrease in the selling prices of ferro molybdenum. The average selling price of ferro molybdenum fell to around HK\$121,484 per tonne during the year 2013 (2012: HK\$131,847 per tonne) and the current selling price further fell to around HK\$112,016 per tonne for the six months ended 30 June 2014.

In addition, the Harbin Songjiang Group had once suspended the production of molybdenum mine for maintenance and improvement from December 2008 to August 2009, due to the precautionary measures required to be taken as a result of the discovery of the subsidence of a small area of land above the hollow section of the molybdenum mine on 14 December 2008. Despite the fact that the production of molybdenum mine was resumed in August 2009, its production capacity decreased following the land reclamation and cavity refill activities carried out during the maintenance and improvement.

LETTER FROM THE BOARD

It is observed that several large molybdenum mines including Luming Molybdenum Mine in China will commence operations, despite stainless steel and special steel markets are expected to have moderate growth, the price of ferro molybdenum is expected to be remained at the current low level. Moreover, more stringent control on environmental protection enforced by relevant authorities in the PRC as well as increasing labour costs in China keeps on increasing the cost of producing molybdenum. Since the production scale of Harbin Songjiang is relatively small when compared to the large producers which have the advantages of economies of scale, the Directors anticipate that Harbin Songjiang will keep on operating in a very competitive market environment and thus the financial performance of Harbin Songjiang will remain weak and is unlikely to be improved in the coming years.

In view of the continuing decrease in the market price and the increase in production cost of molybdenum related products in Mainland China, which leads to a very undesirable situation that the production of molybdenum is no longer making profit for the Harbin Songjiang Group, together with the uncertainty of the molybdenum market in the coming years, the Board is of the view that it is in the interests of the Company and its Shareholders as a whole to realize the value of its equity interests in Harbin Songjiang so as to reduce the financial pressure arising from the need for substantial capital investment for Harbin Songjiang's operation (taking into account that the molybdenum mine is an aged mine which would require more attention and care in respect of production safety as well as the increasing safety requirements imposed by the regulatory authorities in the PRC, which all add to the production costs of the ferro molybdenum of the Group). In addition, the investment strategy of the Group is to identify possible new investment projects and to maximize the value of Shares from the investments. The Disposal can also increase the cash resources of the Group for other investment projects and expansion of its other business which has a higher profit margin or better operating prospects. As such, the Board believes that the Disposal is in line with the investment strategy of the Group.

The Directors (including all independent non-executive Directors) consider that the terms of the Disposal Agreement are fair and reasonable and are on normal commercial terms, and the Disposal is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios for the Disposal is more than 25% and less than 75%, the Disposal constitutes a major transaction for the Company under Rule 14.08 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting to approve the ordinary resolution in respect of the Disposal Agreement and the transactions contemplated thereunder at the SGM.

THE SGM

The SGM will be held to consider and, if thought fit, pass the resolution to approve the Disposal Agreement and the transactions contemplated thereunder.

A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's branch share registrar in Hong Kong, Union Registrars Limited of 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

RECOMMENDATION

Having taken into account of the information set out above, the Board considers that the terms of the Disposal Agreement are on normal commercial terms and were negotiated on an arm's length basis between the parties involved and are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution relating to the Disposal Agreement and the transactions contemplated thereunder at the SGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices and the notice of the SGM set out in this circular.

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

A. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2011, 2012 and 2013 and the six months ended 30 June 2014 are disclosed in the annual reports of the Company for the years ended 31 March 2011 (pages 29 to 118), 2012 (pages 33 to 120) and 2013 (pages 36 to 130), and the interim report of the Company for the six months ended 30 June 2014 (pages 10 to 49), respectively. The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 December 2011, 2012 and 2013.

Annual reports of the Company for the financial years ended 31 December 2011, 2012 and 2013 and the interim report for the period ended 30 June 2014 are available at the following internet links:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0418/LTN20120418386.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0417/LTN20130417231.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0416/LTN20140416779.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0905/LTN20140905365.pdf>

B. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 August 2014, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had secured bank loans of approximately HK\$128,459,000; unsecured other loans of approximately HK\$6,662,000, of which approximately HK\$1,259,000 was interest free and approximately HK\$5,403,000 was interest-bearing at 2.55% per annum. The Group's certain items of prepaid lease payment and certain buildings with an aggregated carrying value of approximately HK\$25,455,000 and approximately HK\$20,117,000, respectively as at 31 August 2014 are pledged to banks to secure general banking facilities grant to the Group.

For the purpose of compiling this indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the applicable rates of exchange at the close of business on 31 August 2014.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 August 2014, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities, other than the litigation disclosed in Appendix II.

Save as disclosed above, the Directors were not aware of any material changes in the indebtedness and contingent liabilities of the Group after 31 August 2014 and up to the Latest Practicable Date.

C. WORKING CAPITAL STATEMENT

After taking into account of (i) the completion of the Disposal and (ii) the financial resources available to the Remaining Group, including internally generated funds and available banking facilities of the Remaining Group, the Directors after due and careful enquiry are of the opinion that the Remaining Group shall have sufficient working capital to meet its present requirements for at least the 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date on which the latest published audited consolidated financial statements of the Group were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the sale of tea products, mining, processing and sale of molybdenum and online video broadcasting. Following the completion of the Disposal, the Group's operating income would be mainly arising from tea business.

It is the Company's intention to strengthen the existing tea business. Due to the slowdown of economic development in the PRC and the various austerity measures implemented by the PRC government, there is a decline of operating result of the tea business in 2013. However, the management of the Group still put great efforts to increase market promotion and distribution network so as to expand the customer base and promote the "Wuyi star" and "Wuyi" brands in the PRC market. During year 2013, the Group has continued to maintain a stable pace in new store expansion and prudently selected the location of new stores to ensure their quality. The future operating environment of tea industry in the PRC in 2014 is still expected to face significant challenges and uncertainties. Looking forward, the Group will continue to strengthen the existing tea products under "Wuyi star" and "Wuyi" brands, develop and launch new and exclusive tea products, focus on the promotion and expansion of the existing distribution networks in terms of number of stores and coverage, and explore new sales platforms and channels to broaden its customer base.

For the online video business, the Group will continue to focus on the cooperation with the major telecommunication operators in the PRC and develop more value-added services.

The Group remains cautiously optimistic in the coming years that the above strategy will not only strengthen its core business but also increase the Company's equity holders' values.

The Group currently had no intention and had not identified any target for potential acquisition or investment as at the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and Chief Executives of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) *Interests in the Shares and underlying Shares under equity derivatives (as defined in Part XV of the SFO)*

Name of directors/ chief executives	Long position/ Short position	Capacity	Total interests in underlying Shares pursuant to share options	Approximate % of shareholding in the Company
<i>Directors</i>				
Wang Hui	Long position	Beneficial owner	50,000,000	0.55%
Fang Yi Quan	Long position	Beneficial owner	13,000,000	0.14%
Chong Cha Hwa	Long position	Beneficial owner	6,000,000	0.07%
Chu Kang Nam	Long position	Beneficial owner	6,000,000	0.07%
<i>Chief executives</i>				
Yin Guangyuan	Long position	Beneficial owner	50,000,000	0.55%
Qiao Hongbo	Long position	Beneficial owner	12,000,000	0.13%
Qu Yanchun	Long position	Beneficial owner	12,000,000	0.13%

(ii) Interests in the share options of the Company

Name of directors/ chief executives	Date of grant of share options	Exercisable period	Exercise price per Share HK\$	Number of options outstanding	Approximate % of shareholding in the Company
<i>Directors</i>					
Wang Hui	29/6/2010	29/6/2010 – 28/6/2015	0.208	5,000,000	0.05%
Chu Kang Nam	29/6/2010	29/6/2010 – 28/6/2015	0.208	2,000,000	0.02%
<i>Chief executives</i>					
Yin Guangyuan	29/6/2010	29/6/2010 – 28/6/2015	0.208	5,000,000	0.05%
Qiao Hongbo	29/6/2010	29/6/2010 – 28/6/2015	0.208	2,000,000	0.02%
Qu Yanchun	29/6/2010	29/6/2010 – 28/6/2015	0.208	2,000,000	0.02%
<i>Directors</i>					
Wang Hui	30/8/2011	30/8/2011 – 29/8/2016	0.161	10,000,000	0.11%
Chu Kang Nam	30/8/2011	30/8/2011 – 29/8/2016	0.161	1,000,000	0.01%
<i>Chief executive</i>					
Yin Guangyuan	30/8/2011	30/8/2011 – 29/8/2016	0.161	10,000,000	0.11%
<i>Directors</i>					
Fang Yi Quan	28/3/2013	28/3/2013 – 27/3/2018	0.1084	3,000,000	0.03%
Chong Cha Hwa	28/3/2013	28/3/2013 – 27/3/2018	0.1084	3,000,000	0.03%
<i>Directors</i>					
Wang Hui	11/11/2013	11/11/2013 – 10/11/2018	0.1000	35,000,000	0.38%
Fang Yi Quan	11/11/2013	11/11/2013 – 10/11/2018	0.1000	10,000,000	0.11%
Chong Cha Hwa	11/11/2013	11/11/2013 – 10/11/2018	0.1000	3,000,000	0.03%
Chu Kang Nam	11/11/2013	11/11/2013 – 10/11/2018	0.1000	3,000,000	0.03%
<i>Chief executives</i>					
Yin Guangyuan	11/11/2013	11/11/2013 – 10/11/2018	0.1000	35,000,000	0.38%
Qiao Hongbo	11/11/2013	11/11/2013 – 10/11/2018	0.1000	10,000,000	0.11%
Qu Yanchun	11/11/2013	11/11/2013 – 10/11/2018	0.1000	10,000,000	0.11%

(b) Interests of Shareholders

Save as disclosed below, as at the Latest Practicable Date, no person, other than a Director or chief executive of the Company, had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

(i) Interests in the Shares

Name of Shareholders	Long position/ Short position	Capacity	Number of Shares	Approximate % of shareholding in the Company
Wong Chiu Fung	Long position	Interest in controlled corporation	1,633,334,286 <i>(Note 1)</i>	17.87%

Note:

- These Shares are held by Double Joy Enterprise Limited which is 100% beneficially owned by Mr. Wong Chiu Fung. The Shares were allotted and issued to Double Joy Enterprise Limited on 14 December 2010 pursuant to a sale and purchase agreement dated 2 October 2010 entered into among Famous Class Limited, a wholly-owned subsidiary of the Company, Ms. Ho Ping Tanya, Double Joy Enterprise Limited, Skypro Holdings Limited and Mr. Wong Chiu Fung in relation to the acquisition of an aggregate of 70 shares of Year Joy Investments Limited, representing 70% of the total issued share capital of Year Joy Investments Limited, by Famous Class Limited (the "Agreement").

(ii) Interests in underlying Shares in the Company

Name of Shareholders	Long position/ Short position	Capacity	Number of Shares	Approximate % of shareholding in the Company
Wong Chiu Fung	Long position	Interest in controlled corporation	476,190,000 <i>(Note 1)</i>	5.21%
Ho Ping Tanya	Long position	Beneficial owner	3,300,000,000 <i>(Note 2)</i>	36.11%

Note:

1. These non-redeemable convertible preference shares are held by Double Joy Enterprise Limited which is 100% beneficially owned by Mr. Wong Chiu Fung. The non-redeemable convertible preference shares were allotted and issued to Double Joy Enterprise Limited on 14 December 2010 pursuant to the Agreement.
2. The non-redeemable convertible preference shares were allotted and issued to Ms. Ho Ping Tanya on 14 December 2010 pursuant to the Agreement.

(c) Competing Interests

As at the Latest Practicable Date, none of the Directors and his respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group.

(d) Directors' Interests in Assets/ Contracts and Other Interests

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any direct or indirect interest in any assets which have been, since 31 December 2013, being the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Save as disclosed above, there is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. LITIGATION

As disclosed in the announcement of the Company dated 8 November 2011, the Company has received a writ of summons issued by the High Court of Hong Kong Special Administrative Region on 8 November 2011 (the "Writ") pursuant to which Mr. Lin Min and Fujian Yuansheng Foods Industry Co. Ltd. ("Fujian Yuansheng") (named as the plaintiffs in the writ) alleged that, amongst other things, the Company and 27 other co-defendants and/or certain PRC government officials had acted in conspiracy in obtaining ownership and control of certain assets of the plaintiffs and they were claiming for, amongst other things, damages from all 28 defendants jointly and severally in the total amount of RMB1,589,000,000.

As announced by the Company on 8 November 2011 and 26 March 2010, the Company has not obtained any interests in Fujian Yuansheng and has been seeking legal advice in response to the Writ, in the opinion of the Directors, the possibility of an outflow of resources embodying economic benefit is remote.

Save as disclosed herein, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

5. MATERIAL CONTRACTS

Save for the Disposal Agreement, there is not any contracts (not being contracts entered into in the ordinary course of business) entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material.

6. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Leung Lai Ming. Ms. Leung is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The head office and principal place of business of the Company in Hong Kong is at Room 1306, 13th Floor, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (e) The English text of this circular and accompanying form of proxy shall prevail over the Chinese text.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (other than Saturdays, Sundays and public holidays) at the Company's head office and principal place of business in Hong Kong at Room 1306, 13th Floor, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong, from the date of this circular and up to and including the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contract(s) disclosed in the paragraph under the heading "Material Contracts" in this Appendix;
- (c) the published annual reports of the Company for each of the two financial years ended 31 December 2012 and 2013;
- (d) the published interim report of the Company of the six months ended 30 June 2014; and
- (e) this circular.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of China Mining Resources Group Limited (the “Company”) will be held at Room 1306, 13th Floor, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong on Thursday, 9 October 2014 at 2:30 p.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as ordinary resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the disposal agreement (the “Disposal Agreement”) dated 3 September 2014 entered into among China Mining Resources Group Limited (the “Company”), 哈爾濱金雨礦業有限公司 (Harbin Jinyu Mining Co., Ltd.*) (the “Purchaser”) and 宋建輝 (Mr. Song Jian Hui*) pursuant to which the Company conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the 75.08% equity interests in 哈爾濱松江銅業(集團)有限公司 (Harbin Songjiang Copper (Group) Company Limited*), at an aggregate consideration of RMB90,096,000 and the transaction contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the directors of the Company be and is/are hereby authorised to do all such acts and things, to sign and execute all such documents, deeds, acts, matters and things, as the case may be in their discretion consider necessary, desirable or expedient to carry out and implement the Disposal Agreement and all the transactions contemplated thereunder into full effect.”

By Order of the Board
China Mining Resources Group Limited
Leung Lai Ming
Company Secretary

Hong Kong, 22 September 2014

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal

place of business:
Room 1306, 13th Floor
Bank of America Tower
12 Harcourt Road, Admiralty
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or if he holds two or more shares, more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited of 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 11:30 a.m. on the date of the special general meeting, the meeting will be postponed. The Company will post an announcement on the website of the Company at www.chinaminingresources.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, the board of the Company comprises Mr. Wang Hui and Mr. Fang Yi Quan as executive Directors, Mr. Chong Cha Hwa, Mr. Chu Kang Nam and Mr. Ngai Sai Chuen as independent non-executive Directors.