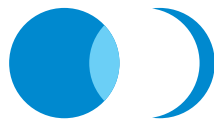

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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.



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)

PROPOSED GRANT OF NEW GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



A letter from the board of directors of the Company is set out on pages 3 to 10 of this circular. A letter from the independent board committee of the Company is set out on page 11 of this circular and a letter from Guangdong Securities containing its advice to the independent board committee and the independent shareholders of the Company is set out on pages 12 to 20 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Suite 2502, 25/F., 9 Queen's Road Central, Central, Hong Kong on Monday, 30 January 2012 at 2:30 p.m. or any adjournment thereof is set out on pages 21 to 23 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, 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 extraordinary general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting should you so wish.

* For identification purposes only

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DEFINITIONS

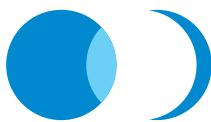
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles of Association”	the articles of association of the Company, as amended from time to time
“Associates”	has the same meaning ascribed in the Listing Rules
“Board”	the board of directors of the Company for the time being or a duly authorised committee thereof
“Company”	Sino Resources Group Limited (carrying on business in Hong Kong as Sino Gp Limited), a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Monday, 30 January 2012 at 2:30 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, approving the proposed grant of the New General Mandate, the notice of which is set out on pages 21 to 23 of this circular
“Existing General Mandate”	the general mandate approved and granted by the Shareholders to the Directors at the Last Annual General Meeting to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Last Annual General Meeting
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all of the three independent non-executive Directors formed for the purpose of advising the Independent Shareholders in respect of the proposed grant of the New General Mandate
“Independent Shareholder(s)”	the Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective Associates
“Last Annual General Meeting”	the annual general meeting of the Company held on 5 August 2011
“Latest Practicable Date”	5 January 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the new general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with the Shares and other securities representing not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Geng Ying (Chairman)
Mr. Gao Feng
Mr. Chiu Sui Keung

Independent non-executive Directors:

Mr. Cheng Wing Keung Raymond
Mr. Lam Williamson
Mr. Wong Hoi Kuen

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111, Cayman Islands

Principal place of

business in Hong Kong:

Suite 2502, 25/F.
9 Queen's Road Central
Central, Hong Kong

9 January 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF NEW GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The Company will propose at the EGM to approve the grant of the New General Mandate. The purpose of this circular is to provide you with information relating to (i) the grant of the New General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Guangdong Securities setting out, among other things, its recommendations to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the resolution to implement the proposed grant of the New General Mandate.

* For identification purposes only

LETTER FROM THE BOARD

PROPOSED GRANT OF THE NEW GENERAL MANDATE

At the Last Annual General Meeting, the Shareholders approved, among other things, an ordinary resolution to grant the Existing General Mandate which enable the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the Last Annual General Meeting, being 267,304,080 Shares under the Existing General Mandate.

On 28 September 2011, the Company completed placing of (i) 30,000,000 Shares (the “Placing Shares”) and (ii) 230,000,000 Warrants (the “Warrants”) entitling the holders thereof to subscribe for a maximum of 230,000,000 Shares (the “Subscription Shares”). The Placing Shares and the Subscription Shares (upon full exercise of the subscription rights attaching to the Warrants) were/will be allotted and issued pursuant to the Existing General Mandate. The aggregate of 260,000,000 Placing Shares and Subscription Shares will utilise 97.27% of the Existing General Mandate. For details of placing of the Placing Shares and the Warrants, please refer to the announcements of the Company dated 31 August 2011 and 28 September 2011.

Since the Last Annual General Meeting, the Existing General Mandate has not been refreshed.

As at the Latest Practicable Date, the Existing General Mandate granted to the Directors was almost fully utilised after completion of placing of the Placing Shares and Warrants as mentioned above. The Directors would only be allowed to allot and issue up to 7,304,080 Shares under the Existing General Mandate if the Existing General Mandate is not refreshed.

On 2 December 2011 and 5 December 2011, the Company announced the Group’s entry into two memoranda of understanding in respect of its proposed acquisitions of Sina Winner Holdings Limited (“Sina Winner”) and Zhan Sheng Investments Limited (展昇投資有限公司) (“Zhan Sheng”) respectively. Sina Winner, through its wholly-owned subsidiary, is in negotiation to acquire the entire registered capital of Baiyin Xinhua Cement Company Limited* (白銀市新華水泥有限公司), a limited liability company established in the PRC and principally engaged in the production and sales of cement in Gansu Province, the PRC. Zhan Sheng, through its wholly-owned subsidiary, is in negotiation to acquire 55% equity interest in Hubei Tiegang Trading Company Limited* (湖北鐵港貿易有限公司), a limited liability company established in the PRC and principally engaged in coal trading and logistic business in the North-Western region of the PRC. Subject to ongoing negotiations with the vendors, the consideration in respect of each of the proposed acquisitions may be satisfied in cash or by issue of consideration shares or convertible securities or a combination of any of such methods.

The grant of the New General Mandate will enable the Group to capture the investment opportunities for the aforesaid potential acquisitions in a timely manner and provide the Company with the ability and flexibility to respond to the market in time and to avoid the uncertainties which may be associated with a specific mandate. As at the Latest Practicable Date, save as the aforesaid, the Company has no other concrete investment plan to utilize the New General Mandate.

LETTER FROM THE BOARD

In addition, given that equity financing (i) does not incur any interest paying obligations on the Group as compared with bank financing; (ii) provides the Company with an alternative means for fund raising which is vital in light of the tightened bank credit under the current volatile market conditions; (iii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iv) provides the Company with the capability to capture any capital raising or prospective investment opportunity as and when it arises, it is considered to be a less costly but more time efficient fund raising method for the Company.

For the reasons set out above, it is proposed, by way of an ordinary resolution that the Directors be given the New General Mandate to authorise the Directors to allot, issue and deal with Shares and other securities representing not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM.

As at the Latest Practicable Date, the total number of Shares in issue was 1,636,520,400 Shares with a nominal value of HK\$0.01 each. Upon passing the relevant resolution at the EGM and assuming no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed pursuant to the New General Mandate to allot and issue up to 327,304,080 Shares, representing 20% of the existing 1,636,520,400 Shares as of the Latest Practicable Date. Any issue of new Shares is subject to approval of the Stock Exchange for the listing of, and permission to deal in, such new Shares.

The New General Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the EGM; (b) the date by which the next annual general meeting is required by the Articles of Association or the applicable laws of the Cayman Islands to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

At the EGM, a resolution will be proposed to seek approval of the Independent Shareholders that the Directors be granted the New General Mandate to allot, issue and deal with Shares and other securities representing not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY FOR THE PAST TWELVE MONTHS

Set out below are the fund raising activities conducted by the Company during the past twelve months prior to the Latest Practicable Date:

Date of announcement	Description of fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
8 February 2011	Issue of new Shares under the general mandate granted on 8 October 2010	HK\$76 million	<ul style="list-style-type: none"> – HK\$20 million for the subscription of shares of Sino Giants Group Limited – HK\$26 million for providing Sino Giants Group Limited with a shareholder's loan – for business development – for general working capital purposes 	<ul style="list-style-type: none"> – HK\$20 million was applied as the intended use – HK\$11 million shareholder's loan was drawn down as intended use – HK\$23 million was applied for business development, out of which HK\$20 million was applied as part of the consideration for the Company's acquisition of the entire issued share capital of Wealthy Wing Limited which was completed on 30 November 2011 (details of which are set out in the announcement of the Company dated 11 August 2011 and 30 November 2011) – the remaining net proceeds of HK\$22 million were applied as general working capital of the Group

LETTER FROM THE BOARD

Date of announcement	Description of fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
28 September 2011	Placing of Placing Shares and Warrants under the Existing General Mandate	HK\$12.7 million	<ul style="list-style-type: none"> – HK\$5.5 million for capital contribution of 20% of the incremental registered capital of Heilongjiang De Rong Coal Company Limited* (黑龍江德融煤業有限公司) (details of which are disclosed in the announcement of the Company dated 11 August 2011) – the remaining net proceeds for general working capital purposes 	<ul style="list-style-type: none"> – HK\$5.5 million was applied for intended use – out of the balance of net proceeds of HK\$7.2 million, HK\$2 million was applied as refundable deposit for a proposed acquisition of Zhan Sheng announced on 5 December 2011, and the rest of HK\$5.2 million was applied for the intended general working capital purposes
		Additional HK\$89.7 million (upon full exercise of the subscription rights attaching to the Warrants)	<ul style="list-style-type: none"> – for general working capital purposes – for future development of the Group's existing business and other business when investment opportunities arise 	<ul style="list-style-type: none"> – N/A (as none of the Warrants has been exercised as at the Latest Practicable Date) – N/A (as none of the Warrants has been exercised as at the Latest Practicable Date)

Save as and except for the above, the Company had not conducted any other fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

POTENTIAL DILUTION TO SHAREHOLDING OF THE PUBLIC SHAREHOLDERS

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilization of the New General Mandate (assuming no other Shares are issued or repurchased by the Company prior to the EGM):

Shareholders	As at the Latest Practicable Date		Upon full utilization of the New General Mandate (assuming no other Shares are issued or repurchased by the Company prior to the EGM)	
	Number of Shares	%	Number of Shares	%
Mr. Hung Chen, Richael ("Mr. Hung") (Note 1)	274,640,000	16.78	274,640,000	13.98
Mr. Zheng Xuefang	270,000,000	16.50	270,000,000	13.75
ACE Channel Limited (Note 2)	178,000,000	10.88	178,000,000	9.06
Public	913,880,400	55.84	913,880,400	46.54
Maximum number of Shares that may be issued under the New General Mandate	–	–	327,304,080	16.67
Total	1,636,520,400	100.00	1,963,824,480	100.00

Notes:

- Mr. Hung is the beneficial owner of 76,640,000 Shares. He is also interested in the entire issued share capital of Mega Wealth Capital Limited ("Mega Wealth") and Webright Limited ("Webright"). Mr. Hung is therefore deemed to be also interested in the 100,000,000 Shares held by Mega Wealth, and the 98,000,000 Shares held by Webright. Pursuant to an injunction order applied for by the Company, and granted by the High Court of Hong Kong against Mr. Hung, Mr. Hung is not permitted to, either by himself, his servants or agents or otherwise howsoever in any way dispose of or deal with the diminish the value of, amongst other things, any of the 76,640,000 Shares issued in his name, the 100,000,000 Shares held by Mega Wealth, and the 98,000,000 Shares held by Webright.
- ACE Channel Limited is wholly owned by Mr. Gao Feng, an executive Director.

The table above illustrates that the shareholding of the existing public Shareholders would be decreased from approximately 55.84% as at the Latest Practicable Date to approximately 46.54% upon full utilisation of the New General Mandate (assuming that no Shares are issued or repurchased by the Company prior to the EGM).

LETTER FROM THE BOARD

INDEPENDENT ADVICE

The Independent Board Committee comprising Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson and Mr. Wong Hoi Kuen, all of them being the independent non-executive Directors, has been formed to advise the Independent Shareholders, and Guangdong Securities has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

LISTING RULES REQUIREMENTS

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling Shareholders and their Associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective Associates shall abstain from voting in favour of the relevant resolution regarding the grant of the New General Mandate to be proposed at the EGM.

As at the Latest Practicable Date, (i) the Company had no controlling Shareholder; and (ii) Mr. Gao Feng, being an executive Director, held the entire issued share capital of ACE Channel Limited which was in turn interested in 178,000,000 Shares, representing approximately 10.88% of the issued share capital of the Company. Each of Mr. Gao Feng and ACE Channel Limited will therefore be required to abstain from voting in favour of the relevant resolution regarding the grant of the New General Mandate at the EGM. Save for Mr. Gao Feng and ACE Channel Limited, none of the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective Associates held any Shares as at the Latest Practicable Date and shall abstain from voting in favour of the relevant resolution to be proposed at the EGM. Mr. Hung Chen Richael, beneficially holding in aggregate 274,640,000 Shares, representing approximately 16.78% of the issued share capital of the Company as at the Latest Practicable Date, will be unable to exercise the voting rights of the said Shares on the resolution to be proposed at the EGM pursuant to an injunction order granted by the High Court of Hong Kong on 30 March 2010. For details of the said injunction order, please refer to the announcements of the Company dated 25 January 2010, 30 March 2010, 28 April 2010, 13 September 2010, 21 September 2010 and 6 October 2010.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders in respect of the proposed grant of the New General Mandate at the EGM will be taken by way of poll.

As at the Latest Practicable Date, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective Associates had indicated that they have no intention to vote against the resolution regarding the proposed grant of the New General Mandate at the EGM.

RECOMMENDATION

Having considered the reasons set out herein, the Board considers that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole and recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the grant of the New General Mandate.

LETTER FROM THE BOARD

Your attention is drawn to the letter from Guangdong Securities, which contains its advice to the Independent Board Committee and the Independent Shareholders with regard to the proposed grant of the New General Mandate. The text of the letter from Guangdong Securities is set out on pages 12 to 20 of this circular.

EGM

A notice convening the EGM to be held on Monday, 30 January 2012 at 2:30 p.m. at Suite 2502, 25/F., 9 Queen's Road Central, Central, Hong Kong is set out on pages 21 to 23 of this circular.

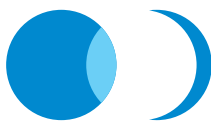
A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) if you so wish.

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.

Yours faithfully,
By order of the Board
Sino Resources Group Limited
(carrying on business in Hong Kong as Sino Gp Limited)
Chow Chi Fai
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

9 January 2012

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED GRANT OF NEW GENERAL MANDATE TO ISSUE SHARES

We refer to the circular of the Company dated 9 January 2012 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Guangdong Securities has been appointed as the Independent Financial Adviser to advise us and you in this respect.

Having taken into account the advice of Guangdong Securities as set out in its letter of advice to us and you as set out on pages 12 to 20 of the Circular, we are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the grant of the New General Mandate.

Yours faithfully,

Independent Board Committee

Cheng Wing Keung Raymond

Lam Williamson

Wong Hoi Kuen

Independent non-executive Directors

* For identification purposes only

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the grant of the New General Mandate for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

9 January 2012

*To: The independent board committee and the independent shareholders
of Sino Resources Group Limited*

Dear Sirs,

PROPOSED GRANT OF NEW GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 9 January 2012 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, only a further of 7,304,080 Shares could be issued under the Existing General Mandate which was granted to the Directors at the Last Annual General Meeting. Therefore, the Board proposes to seek approval of the Independent Shareholders for the grant of the New General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the EGM. Pursuant to Rule 13.36(4) of the Listing Rules, the grant of the New General Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling shareholders (as defined in the Listing Rules) of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution proposed for the approval of such grant, and under Rule 13.39 of the Listing Rules, any vote of the shareholders at a general meeting must be taken by way of poll. As at the Latest Practicable Date, there was no controlling Shareholder. As such, Mr. Gao Feng, being an executive Director, and ACE Channel Limited, being a substantial Shareholder and a wholly-owned subsidiary of Mr. Gao Feng, will abstain from voting in favour of the relevant resolution to approve the grant of the New General Mandate. According to the Board Letter, Mr. Hung Chen Richael (“**Mr. Hung**”) will be unable to exercise the voting rights of the Shares beneficially held by him on the resolution to be proposed at the EGM pursuant to an injunction order granted by the High Court of Hong Kong on 30 March 2010.

LETTER FROM GUANGDONG SECURITIES

An Independent Board Committee comprising Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson and Mr. Wong Hoi Kuen (all being independent non-executive Directors) has been established to advise the Independent Shareholders on the grant of the New General Mandate. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the grant of the New General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM GUANGDONG SECURITIES

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the grant of the New General Mandate, we have taken into consideration the following principal factors and reasons:

(1) Background of the grant of the New General Mandate

The Company is an investment holding company and its subsidiaries are principally engaged as show manager of exhibitions and trade shows and providing related ancillary services, as well as investment in the resources and energy sector.

The Directors were authorised to allot and issue up to 267,304,080 new Shares under the Existing General Mandate which was granted to the Directors at the Last Annual General Meeting.

According to the announcement of the Company dated 31 August 2011 regarding the placing of new Shares and warrants (the “**Placing**”), 30,000,000 new Shares (the “**Placing Shares**”) and 230,000,000 warrants (the “**Warrants**”) entitling the holders thereof to subscribe for 230,000,000 new Shares (the “**Subscription Shares**”) were issued. Since the Placing Shares and the Subscription Shares (upon exercise of the subscription rights attaching to the Warrants) were/will be allotted and issued under the Existing General Mandate, the Existing General Mandate has been utilised as to 260,000,000 Shares, representing approximately 97.27% of the Existing General Mandate.

If the New General Mandate is not granted, only 7,304,080 new Shares may be further allotted and issued by the Directors under the Existing General Mandate. Given that the Existing General Mandate has been largely utilised as a result of the Placing, the Board proposes to seek approval of the Independent Shareholders for the grant of the New General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the EGM.

As at the Latest Practicable Date, the Company had 1,636,520,400 Shares in issue. On the basis that no Share would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM, the grant of the New General Mandate would allow the Directors to allot, issue and deal with up to 327,304,080 new Shares, representing 20% of the total issued share capital of the Company as at the date of the EGM.

(2) Reasons for the grant of the New General Mandate

Based on the reasons as set out in the section headed “Proposed grant of the New General Mandate” in the Board Letter, the Directors believe that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group’s future business development. In addition, the Directors also consider equity financing to be a less costly but more time efficient fund raising method for the Company.

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According to the Company's interim report for the six months ended 30 September 2011 and as further confirmed by the Directors, the Directors believe that the market for clean energy will continue to be positive having considered the strong energy consumption in the People's Republic of China (the "PRC") and the increasingly important role of unconventional gas as a source of gas supply. As for the coal industry, its long term development shall be supported by the growing demand for coal in the PRC. The Directors have confidence in the competitive strengths and future prospects of the coal trading business of the Group, and will consider other potential acquisitions in the coal industry. Apart from the energy sector, the Group will also look for investment opportunities in the resources industry, including those resources associated with infrastructure and real estate sectors which shall grow in line with the PRC economy in the long run. Subsequently on 2 December 2011 and 5 December 2011, the Company announced the Group's entry into two memoranda of understanding in respect of its proposed acquisitions of (i) the businesses of the production and sales of cement in Gansu Province, the PRC; and (ii) the coal trading and logistic business in the north-western region of the PRC. As confirmed by the Directors, the Group will continue its inorganic growth strategy and explore investment and acquisition opportunities in the energy and resources sectors.

Given the foregoing, we are of the opinion that the grant of the New General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. Accordingly, we are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

(3) Fund raising activities in the past twelve months

Set out below are the fund raising activities conducted by the Company in the past twelve months prior to the Latest Practicable Date:

Date of announcements	Description of the fund raising activities	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
8 February 2011	Issue of new Shares under the general mandate granted on 8 October 2010	HK\$76 million	<ul style="list-style-type: none">– HK\$20 million for the subscription of shares of Sino Giants Group Limited– HK\$26 million for providing Sino Giants Group Limited with a shareholder's loan	<ul style="list-style-type: none">– HK\$20 million was applied as the intended use– HK\$11 million shareholder's loan was drawn down as intended use

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Date of announcements	Description of the fund raising activities	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
			<ul style="list-style-type: none"> – for business development 	<ul style="list-style-type: none"> – HK\$23 million was applied for business development, out of which HK\$20 million was applied as part of the consideration for the Company's acquisition of the entire issued share capital of Wealthy Wing Limited which was completed on 30 November 2011 (details of which are set out in the announcements of the Company dated 11 August 2011 and 30 November 2011)
			<ul style="list-style-type: none"> – for general working capital purposes 	<ul style="list-style-type: none"> – the remaining net proceeds of HK\$22 million were applied as general working capital of the Group
28 September 2011	Placing of the Placing Shares and the Warrants under the Existing General Mandate	HK\$12.7 million	<ul style="list-style-type: none"> – HK\$5.5 million for capital contribution of 20% of the incremental registered capital of Heilongjiang De Rong Coal Company Limited* (黑龍江德融煤業有限公司) (details of which are disclosed in the announcement of the Company dated 11 August 2011) 	<ul style="list-style-type: none"> – HK\$5.5 million was applied for intended use

LETTER FROM GUANGDONG SECURITIES

Date of announcements	Description of the fund raising activities	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
			<ul style="list-style-type: none"> – the remaining net proceeds for general working capital purposes 	<ul style="list-style-type: none"> – out of the balance of net proceeds of HK\$7.2 million, HK\$2 million was applied as refundable deposit for the proposed acquisition of Zhan Sheng Investments Limited as announced on 5 December 2011, and the rest of HK\$5.2 million was applied for the intended general working capital purposes
		Additional HK\$89.7 million (upon full exercise of the subscription rights attaching to the Warrants)	<ul style="list-style-type: none"> – for general working capital purposes 	<ul style="list-style-type: none"> – N/A (as none of the Warrants has been exercised as at the Latest Practicable Date)
			<ul style="list-style-type: none"> – for future development of the Group's existing business and other business when investment opportunities arise 	<ul style="list-style-type: none"> – N/A (as none of the Warrants has been exercised as at the Latest Practicable Date)

Save as and except for the above, the Company had not conducted any other fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

(4) Flexibility in financing

As advised by the Directors, given that only a further of 7,304,080 Shares could be issued under the Existing General Mandate, the Group does not obviate the possibilities of capturing investor interests and obtaining equity financing in a timely manner should there be equity investor(s) indicating interest in the existing and prospective businesses of the Company. The Directors believe that the grant of the New General Mandate will provide the Group with flexibility for possible future fund raising, which is in the interests of the Company and the Shareholders as a whole.

LETTER FROM GUANGDONG SECURITIES

As discussed in the foregoing, we consider that the grant of the New General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. The grant of the New General Mandate would provide the Company with the flexibility as allowed under the Listing Rules to allot and issue new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity which may be raised after the grant of the New General Mandate would provide the Group with more financing options when assessing and negotiating potential investments in a timely manner. Given the financial flexibility available to the Company as discussed above, we are of the opinion that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

(5) Other financing alternatives

We have enquired into the Directors and the Directors confirmed that apart from equity financing, the Group will also consider debt financing, such as bank borrowings and issue of bonds, to be other possible fund raising alternatives available to the Group. However, the Directors are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. Furthermore, such alternative may be subject to lengthy due diligence and negotiations with banks. In light of also that debt financing will usually incur interest burden on the Group, the Directors consider debt financing to be relatively costly, uncertain and time-consuming as compared to equity financing, such as placing of new Shares, for the Group to obtain additional funding.

The Directors confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief. With this being the case, along with the fact that the grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, we are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

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(6) Potential dilution to shareholding of the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company):

	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Hung (<i>Note 1</i>)	274,640,000	16.78	274,640,000	13.98
Mr. Zheng Xuefeng	270,000,000	16.50	270,000,000	13.75
ACE Channel Limited (<i>Note 2</i>)	178,000,000	10.88	178,000,000	9.06
Existing public Shareholders	913,880,400	55.84	913,880,400	46.54
Shares to be issued under the New General Mandate	–	–	327,304,080	16.67
Total	1,636,520,400	100.00	1,963,824,480	100.00

Notes:

- Mr. Hung is the beneficial owner of 76,640,000 Shares. He is also interested in the entire issued share capital of Mega Wealth Capital Limited (“Mega Wealth”) and Webright Limited (“Webright”). Mr. Hung is therefore deemed to be also interested in the 100,000,000 Shares held by Mega Wealth, and the 98,000,000 Shares held by Webright. Pursuant to an injunction order applied for by the Company, and granted by the High Court of Hong Kong against Mr. Hung, Mr. Hung is not permitted to, either by himself, his servants or agents or otherwise howsoever in any way dispose of or deal with or diminish the value of, among other things, any of the 76,640,000 Shares issued in his name, the 100,000,000 Shares held by Mega Wealth, and the 98,000,000 Shares held by Webright.*
- ACE Channel Limited is wholly owned by Mr. Gao Feng, an executive Director.*

The table above illustrates that the shareholdings of the existing public Shareholders would decrease from approximately 55.84% as at the Latest Practicable Date to approximately 46.54% upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholdings of the existing public Shareholders represents a dilution of approximately 9.30 percentage point.

Taking into account that the grant of the New General Mandate (i) would provide an alternative to increase the amount of capital which may be raised under the New General Mandate; (ii) would provide more options of financing to the Group for further development of its business as well as in other potential future investment as and when such opportunities arise; and (iii) the shareholding interests of all the Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the existing public Shareholders as just mentioned is acceptable.

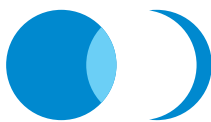
LETTER FROM GUANGDONG SECURITIES

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the grant of the New General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Sino Resources Group Limited (carrying on business in Hong Kong as Sino Gp Limited) (the “**Company**”) will be held at Suite 2502, 25/F., 9 Queen’s Road Central, Central, Hong Kong on Monday, 30 January 2012 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant, distribute and deal with new shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company, and to make, issue or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make, issue or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, granted, distributed or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) any issue of Shares upon the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares; or

* For identification purposes only

NOTICE OF EGM

- (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or
- (iv) any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company and other relevant regulations,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company’s articles of association or the applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or stock exchange in any territory outside Hong Kong).”

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, 9 January 2012

NOTICE OF EGM

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111, Cayman Islands

Principal place of business in Hong Kong:

Suite 2502, 25/F.
9 Queen's Road Central
Central, Hong Kong

Notes:

1. A form of proxy for use at the EGM is being despatched to the shareholders of the Company together with a copy of this notice.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the EGM convened by the above notice shall be entitled to appoint one proxy or, if he is the holder of two or more Shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the EGM convened or any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint registered holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such shares shall alone be entitled to vote.
7. As at the date of this notice, the board of Directors of the Company comprises Ms. Geng Ying (Chairman), Mr. Gao Feng and Mr. Chiu Sui Keung as executive Directors, and Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson and Mr. Wong Hoi Kuen as independent non-executive Directors.