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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)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by the Company.

Reference is made to the Company's announcements dated 13th December 2010 and 18th May 2011 (the "Announcements"). Terms used herein shall bear the same meanings ascribed to them in the Announcements unless otherwise specified.

The Company has obtained written legal opinion on the Claim from its legal advisors and after having considered the legal opinion, the Board has passed a resolution to settle the Claim with Mr. Wong. By a Consent Order dated 3rd June 2011, the Company has reached a settlement of the Claim with Mr. Wong in the following terms :

1. Mr. Wong warrants and declares that he, whether by himself, his servants or agents or principals does not hold any interest (whether legal or beneficial) or have any dealings in any convertible notes or shares of the Company, either with or acquired from Mr. Hung apart from the assignment of the loan agreement dated 16th July 2009 in the amount of HK\$31,500,000.00.
2. Upon the giving by Mr. Wong of the above warranty and declaration, the Company do on an entirely without admission of liability basis pay to Mr. Wong the sum of HK\$28,500,000.00 within 3 business days of the Order in full and final settlement of the Mr. Wong's claims against the Company in the Claim.
3. Upon payment to Mr. Wong of the said sum of HK\$28,500,000.00, the parties shall jointly apply to the Court for the Claim to be dismissed and shall sign a Consent Order to the same effect.
4. The parties agree for the avoidance of doubt that Mr. Wong's warranty and declaration in paragraph 1 above shall be enforceable and survive the dismissal of the Claim.

Upon the Company and Mr. Wong having agreed to the above terms of settlement, the Court by consent made an order on the 3rd June 2011 that :-

1. The Undertaking given by the Company to the Court and to Mr. Wong in the Order of the Honourable Mr. Justice To dated 16th December 2010 be discharged;
2. This Action be stayed except for the purpose of carrying the Order and the said terms into effect;
3. Liberty to apply; and
4. Each party do pay their own costs of this Action and the Consent Order notwithstanding any previous costs order(s) that state otherwise.

The Company has incurred approximately HK\$5,800,000 in accrued interest expenses arising from the Claim, which after this settlement will be written back to the Company for the current financial year ending 31 March 2012. Having considered the legal opinion from its legal advisors and in view of the savings of the aforementioned interest costs; the saving of expected legal costs of the Company of over HK\$4,000,000; the saving of time and other resources to be incurred in defending the Claim, and the fact that if the Company were to be unsuccessful in its defence it would have to pay the legal costs of Mr. Wong. The Board is of the view that the settlement is in the interests of the Company. The Company has already set aside a sum of HK\$28,500,000 into a designated account to pay Mr. Wong and the Company still has sufficient working capital on hand.

By Order of the Board
Sino Resources Group Limited
(carrying on business in Hong Kong as Sino Gp Limited)
Geng Ying
Chairman

Hong Kong, 3 June, 2011

As at the date of this announcement, the executive directors of the Company are Ms. Geng Ying, Mr. Gao Feng and Mr. Chiu Sui Keung and the independent non-executive directors of the Company are Mr. Cheng Wing Keung Raymond, Mr. Williamson Lam and Mr. Wong Hoi Kuen.

* for identification purpose only.