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CHINA PRECIOUS METAL RESOURCES HOLDINGS CO., LTD.

中國貴金屬資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1194)

**CLARIFICATION ANNOUNCEMENT REGARDING
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

The board (the “Board”) of directors (the “Directors”) of China Precious Metal Resources Holdings Co., Ltd. (the “Company”) refers to the annual report for the year ended 31 December 2013 (the “Annual Report”) published by the Company on 25 April 2014. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Annual Report.

The Board would like to provide certain additional information under the heading “Convertible Bonds” on page 49 of the Annual Report as follows:

CONVERTIBLE BONDS

On 28 January 2013, the Company and Daiwa Capital Markets Hong Kong Limited (the “Manager”), an independent third party, entered into a subscription agreement (the “Subscription Agreement”), pursuant to which the Manager agreed to subscribe for, or to procure subscribers to subscribe for, the Company’s convertible bonds with an aggregate principal amount of HK\$1,028 million (the “Convertible Bonds”). On 4 February 2013, the Convertible Bonds were issued by the Company with net proceeds of approximately HK\$990 million after deduction of issue expenses. The Convertible Bonds bear interest at 7.25% per annum and will mature on 4 February 2018. The Convertible Bonds entitle the holders to convert the Convertible Bonds into ordinary shares of the Company of HK\$0.125 each (the “Shares”, each a “Share”) at a conversion price of HK\$1.8125 (subject to adjustment on the occurrence of dilutive or concentrative event) at any time on or after 17 March 2013 up to the close of business on the date falling ten days prior to the maturity date.

The conversion price of HK\$1.8125 represents: (i) a premium of approximately 25% over the closing price of HK\$1.45 per Share as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the date of the Subscription Agreement; (ii) a premium of approximately 28% over the volume weighted average closing price of HK\$1.4144 per Share for the last five consecutive trading days up to and including the date of the Subscription Agreement; and (iii) a premium of approximately 27% over the volume weighted average closing price of HK\$1.4229 per Share for the last ten consecutive trading days up to and including the date of the Subscription Agreement. The conversion price of HK\$1.8125 was determined after arm’s length negotiations between the Company and the Manager with reference to the closing price of the Shares quoted on the Stock Exchange on the date of the Subscription Agreement.

The issue of the Convertible Bonds enabled the Company to raise additional funds at lower funding costs to refinance existing indebtedness and to provide funding for the operation of the Company's gold mines, further business development and general corporate purposes, and also enabled the Company to broaden its capital base, without having an immediate dilution effect on the shareholding of the existing shareholders of the Company. For further details of the above issue of the Convertible Bonds, please refer to the announcements of the Company dated 28 January 2013 and 4 February 2013.

The net proceeds of approximately HK\$990 million from the issue of the Convertible Bonds were applied as to approximately HK\$480 million for acquisition of fixed assets and construction in progress of the Group's mining business, approximately HK\$454 million for repayment of the Group's bank and other borrowings and approximately HK\$56 million for general working capital of the Group during the year ended 31 December 2013.

The above additional information does not affect any other information contained in the Annual Report and the contents of the Annual Report remain correct and unchanged.

By order of the Board of
China Precious Metal Resources Holdings Co., Ltd.
LAM Cham
Chairman

Hong Kong, 24 July 2014

As at the date of this announcement, the executive Directors are Mr. Lam Cham, Mr. Zhang Shuguang, Mr. Zhang Liwei, Mr. Chang Yim Yang and Mr. Deng Guoli and the independent non-executive Directors are Professor Wong Lung Tak Patrick, BBS, PhD, J.P., Mr. Chan Kin Sang and Professor Xiao Rong Ge.