

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities.



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)

**AMENDMENTS TO THE TERMS OF THE SALE AND PURCHASE AGREEMENT
DATED 21 DECEMBER 2010**

References are made to the announcements of the Company dated 21 April 2010, 19 October 2010, 21 December 2010, 3 March 2011, 29 April 2011, 31 May 2011 and 24 June 2011 regarding the Acquisition (the “**Announcements**”). Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcements.

On 21 December 2010 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire for and the Vendor has conditionally agreed to dispose of the Sale Shares and the Sale Loan at a total Consideration of HK\$1,180,000,000. The Consideration is payable by the Purchaser by way of cash in the amount of HK\$500,000,000 and the issue of 328,185,328 Consideration Shares at the Issue Price of HK\$2.072 per Consideration Share.

The Supplemental Agreement

On 6 February 2012 (after trading hours), the Purchaser entered into a supplemental agreement (the “**Supplemental Agreement**”) with the Vendor to revise the payment terms under the Sale and Purchase Agreement. As at the date of this announcement, the outstanding balance of the cash Consideration was amounted to HK\$220,000,000, which shall be settled by the Purchaser within two years upon signing of the Sale and Purchase Agreement. Pursuant to the Supplemental Agreement, the Purchaser and the Vendor agreed to revise the payment terms such that the aforementioned outstanding balance of the cash Consideration shall be settled by the Company by the issue of additional consideration shares (the “**Additional Consideration Shares**”) of the Company at the issue price being equivalent to the average closing price of the Shares for the last five consecutive trading days up to and including the date of the Supplemental Agreement (the “**Additional Issue Price**”), to the Vendor within one month upon signing of the Supplemental Agreement.

Save as the revision of the payment terms, all other terms and conditions of the Sale and Purchase Agreement shall remain unchanged and valid.

The Additional Consideration Shares:

151,933,701 Additional Consideration Shares at the Additional Issue Price of HK\$1.448 per Additional Consideration Share will be issued and allotted by the Company to the Vendor within one month upon signing of the Supplemental Agreement.

The Additional Issue Price was arrived at after arm's length negotiations between the Purchaser and the Vendor, after taking into account of the prevailing market price of the Shares.

The Additional Issue Price represents:

- (i) a premium of approximately 1.26% over the closing price of HK\$1.43 per Share as quoted on the Stock Exchange on the date of the Supplemental Agreement;
- (ii) the average of the closing prices of HK\$1.448 per Share for the last five consecutive trading days up to and including the date of the Supplemental Agreement; and
- (iii) a discount of approximately 0.48% to the average of the closing prices of HK\$1.455 per Share for the last ten consecutive trading days up to and including the date of the Supplemental Agreement.

The Additional Consideration Shares represent (i) approximately 4.56% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.36% of the issued share capital of the Company as enlarged by the allotment and issue of the Additional Consideration Shares.

The Additional Consideration Shares shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issuance including the rights to all dividends, distributions and other payments made or to be made for which the record date falls or after the date of such issuance and allotment.

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Additional Consideration Shares. The Additional Consideration Shares shall be issued and allotted under the general mandate of the Company. There is no restriction on subsequent sale of the Additional Consideration Shares.

Changes in the shareholding structure of the Company

For illustrative purpose only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Additional Consideration Shares:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Additional Consideration Shares	
	No. of Shares	%	No. of Shares	%
Aswell Group Limited (<i>Note 1</i>)	340,196,670	10.21	340,196,670	9.77
Mr. Lim Wa	7,800,000	0.23	7,800,000	0.22
Mr. Lam Cham	7,400,000	0.22	7,400,000	0.21
Mr. Dai Xiaobing	11,000,000	0.33	11,000,000	0.32
Lead Pride Holdings Limited (<i>Note 2</i>)	132,188,000	3.97	132,188,000	3.79
Mr. Chang Yim Yang	19,172,000	0.58	19,172,000	0.55
The Vendor	328,185,328	9.85	480,119,029	13.78
Public Shareholders	2,485,745,234	74.61	2,485,745,234	71.36
Total	3,331,687,232	100.00	3,483,620,933	100.00

Notes:

1. Aswell Group Limited is a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to approximately 30% by Mr. Lim Wa, as to approximately 29.4% by Mr. Lam Cham and as to approximately 40.6% by the associates of Mr. Lim Wa. Mr. Lam Cham is an executive Director.
2. Lead Pride Holdings Limited is a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Chang Yim Yang. Mr. Chang Yim Yang is an executive Director.
3. As at the date of this announcement, the Company has (i) 333,100,000 outstanding share options granted under the share option scheme of the Company, carrying rights to subscribe for 333,100,000 Shares; (ii) convertible notes in the outstanding principal amount of HK\$225 million with a conversion price of HK\$2.10, being convertible into a maximum of 107,142,857 new Shares; and (iii) 194,514,285 warrants granted pursuant to the warrant subscription agreement dated 5 May 2010 and the warrant instrument dated 22 August 2011, details of which were included in the announcements of the Company dated 5 May 2010 and 22 August 2011 respectively. Save for the aforesaid share options, convertible notes and warrants, the Company does not have any outstanding derivatives or securities convertible into Shares as at the date of this announcement. The shareholding structure shown in the above table has assumed no conversion of such convertible notes and no exercise of such share options and warrants.

The Board is of the view that the terms of the Supplemental Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 6 February 2012

As at the date of this announcement, the executive Directors are Mr. Lam Cham, Dr. Dai Xiaobing, Mr. Chang Yim Yang, Mr. Deng Guoli, Mr. Zhang Shu Guang and Mr. Zhang Liwei; the non-executive Director is Mr. Wang, John Peter Ben; 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.

This announcement will remain on the “Latest Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company’s website at <http://cpm.etnet.com.hk> for at least seven days from the date of its posting.