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CHINA MINING RESOURCES GROUP LIMITED

中國礦業資源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00340)

PROPOSED REDUCTION OF SHARE PREMIUM

The Board of the Company intends to put forward a proposal to the Shareholders for a reduction of the share premium account of the Company pursuant to section 46 of the Companies Act.

The Reduction of Share Premium is conditional upon, (i) the approval of the Shareholders at the Annual General Meeting; and (ii) the compliance with the requirements of section 46(2) of the Companies Act.

A circular containing, amongst others, details of the Reduction of Share Premium, together with a notice of the Annual General Meeting and the related proxy form, will be sent to the Shareholders as soon as practicable.

PROPOSED REDUCTION OF SHARE PREMIUM

The board of directors (the “**Board**”) of China Mining Resources Group Limited (the “**Company**”) intends to put forward a proposal to the shareholders of the Company (the “**Shareholder(s)**”) for a reduction of the share premium account of the Company pursuant to section 46 of the Companies Act 1981 of Bermuda (the “**Companies Act**”).

As at 31 December 2006, based on the audited financial statements of the Company, the amount standing to the credit of the share premium account of the Company was HK\$846,714,094.45 and the amount of the contributed surplus and the accumulated losses of the Company was HK\$234,944,007.74 and HK\$454,034,735.95, respectively. As at 30 June 2007, based on the unaudited financial statements of the Company, the amount standing to the credit of the share premium account of the Company was HK\$3,080,570,796.00 and the amount of the contributed surplus and the unaudited accumulated losses of the Company was HK\$234,944,007.74 and HK\$454,335,002.00, respectively. Pursuant to the proposed Reduction of Share Premium, an amount of HK\$219,090,728.21 standing to the credit of the share premium account of the Company as at 31 December 2006 will be reduced with the credit

* *For the purpose of identification only*

arising therefrom being transferred to the contributed surplus account of the Company. Upon the said transfer becoming effective, the entire amount standing to the credit of the contributed surplus account of the Company will be applied to eliminate the audited accumulated losses of the Company of HK\$454,034,735.95 as at 31 December 2006 (the “**Reduction of Share Premium**”).

The Reduction of Share Premium does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the shares of the Company (the “**Shares**”) or the trading arrangements concerning the Shares.

Reason for the Reduction of Share Premium

The Board considers that the Reduction of Share Premium will give the Company more flexibility to declare dividends to the Shareholders at the earliest opportunity in the future as and when the Board considers appropriate. The Board believes that the Reduction of Share Premium is in the interests of the Company and the Shareholders as a whole.

Effect of the Reduction of Share Premium

Implementation of the Reduction of Share Premium will not, of itself, affect the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole or the share capital of the Company other than related expenses incurred which will be immaterial.

The Reduction of Share Premium is conditional upon:

- (i) the passing of a special resolution approving the Reduction of Share Premium by the Shareholders at the annual general meeting of the Company (the “**Annual General Meeting**”); and
- (ii) the compliance with the requirements of section 46(2) of the Companies Act, including (a) the publication of a notice in relation to the Reduction of Share Premium in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Reduction of Share Premium is to have effect; and (b) the directors of the Company having satisfied that on the date the Reduction of Share Premium is to be effected, there are no reasonable grounds for believing that the Company is, or after the Reduction of Share Premium will be, unable to pay its liabilities as they become due.

In the event that the above conditions are fulfilled, it is expected that the Reduction of Share Premium will become effective on the date of the Annual General Meeting, at which the relevant special resolution approving the Reduction of Share Premium will be considered and, if thought fit, passed by the Shareholders.

General

A circular containing, amongst others, details of the Reduction of Share Premium, together with a notice of the Annual General Meeting and the related proxy form, will be sent to the Shareholders as soon as practicable.

By Order of the Board
China Mining Resources Group Limited
Cai Yuan
Chairman

Hong Kong, 11 April 2008

As at the date of this announcement, the board of directors of the Company comprises Mr. Cai Yuan, Dr. You Xian Sheng, Mr. Wang Hui, Mr. Yeung Kwok Kuen and Mr. Chen Shou Wu as executive Directors, Mr. Wu King Shiu Kelvin, Mr. Lam Ming Yung and Mr. Chan Siu Tat as non-executive Directors, Mr. Chan Sze Hon, Mr. Chu Kang Nam, Mr. Goh Choo Hwee and Mr. Lin Xiang Min as independent non-executive Directors.