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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)**

### **CHANGES IN DIRECTORSHIP, REDUCTION OF SHARE PREMIUM AND TERMINATION OF SUBSCRIPTION AGREEMENT**

#### **CHANGES IN DIRECTORSHIP**

Further to the AGM, the Board announces that each of Mr. Wu and Mr. Chan has retired as a non-executive director of the Company at the AGM pursuant to the bye-laws of the Company and has not offered himself for re-election at the AGM in order to pursue other business interests. Both Mr. Wu and Mr. Chan have confirmed that they have no disagreement with the Board and there is no other matter in relation to their retirements that needs to be brought to the attention of the shareholders of the Company.

#### **REDUCTION OF SHARE PREMIUM**

Further to the AGM, the Board also announces that the Reduction of Share Premium has been duly approved by the shareholders of the Company at the AGM and the Company has complied with section 46 of the Companies Act. As such, the Reduction of Share Premium has become effective on the date of the AGM upon the passing of the relevant special resolution approving the Reduction of Share Premium.

#### **TERMINATION OF SUBSCRIPTION AGREEMENT**

In addition, the Company has entered into a Deed of Termination with the Subscribers on 26 May 2008, pursuant to which the Subscription Agreement has been terminated with immediate effect.

\* *for the purpose of identification only*

## **CHANGES IN DIRECTORSHIP**

Reference is made to the circular of China Mining Resources Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 April 2008. Unless otherwise stated, terms defined in the circular of the Company dated 28 April 2008 shall have the same meanings when used under sections headed “Changes in directorship” and “Reduction of Share Premium” in this announcement.

Further to the annual general meeting of the Company held at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong on Friday, 23 May 2008 at 2:30 p.m. (the “**AGM**”), the board of directors of the Company (the “**Board**”) announces that each of Mr. Wu King Shiu Kelvin (“**Mr. Wu**”) and Mr. Chan Siu Tat (“**Mr. Chan**”) has retired as a non-executive director of the Company at the AGM pursuant to the bye-laws of the Company and has not offered himself for re-election at the AGM in order to pursue other business interests.

Both Mr. Wu and Mr. Chan have confirmed that they have no disagreement with the Board and there is no matter relating to their retirements that will need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express gratitude to both Mr. Wu and Mr. Chan for their valuable contribution to the Company during their tenure of service with the Company.

## **REDUCTION OF SHARE PREMIUM**

Further to the AGM, the Board announces that the Reduction of Share Premium has been duly approved by the shareholders of the Company at the AGM and the Company has complied with section 46 of the 1981 of Bermuda (the “**Companies Act**”) by (a) publishing 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. The Reduction of Share Premium has become effective on the date of the AGM upon the passing of the relevant special resolution approving the Reduction of Share Premium.

## **TERMINATION OF SUBSCRIPTION AGREEMENT**

Reference is made to the announcement of the Company dated 17 July 2007 and the circular of the Company dated 6 August 2007 (the “**Circular**”) in relation to the Subscription Agreement. Terms defined in the circular of the Company dated 6 August 2007 shall have the same meanings when used under this section headed “Termination of Subscription Agreement” in this announcement.

All the conditions as set out in the Circular have been fulfilled before 30 November 2007. Due to the prevailing market conditions and the current trading price of the Shares as compared with the Subscription Price under the Subscription Agreement, the Company and the Subscribers consider that completion of the transactions contemplated under the Subscription Agreement would not serve to incentivise the Subscribers (each of whom being either a director of a member of the Group or a member of the senior management of the Group, with the exception of Mr. Dong Wenxue who has already resigned from his position within the Group and Mr. Wu King Shiu Kelvin who has retired with effect from 23 May 2008 as mentioned in the previous paragraph) for the benefit of the Group. As such, the Company has entered into a deed of termination to the Subscription Agreement (the “**Deed of Termination**”) with the Subscribers on 26 May 2008, pursuant to which the Subscription Agreement has been terminated with immediate effect.

The Directors believe that it is in the interests of the Company and the shareholders of the Company as a whole to terminate the Subscription Agreement and the termination of the Subscription Agreement has no material adverse impact of the existing business and financial position of the Group.

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

Hong Kong, 27 May 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. Lam Ming Yung as non-executive director, Mr. Chan Sze Hon, Mr. Chu Kang Nam, Mr. Goh Choo Hwee and Mr. Lin Xiang Min as independent non-executive directors.*