中國礦業資源集團有限公司*

China Mining Resources Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00340)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

The Board of Directors (the "Board") of China Mining Resources Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008, with the comparative figures in 2007, as follows:

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2008 — Unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2008	2007
	Note	***$'000***	*$'000*
Turnover	*2*	**287,029**	9,920
Cost of sales		**(148,563)**	(4,441)
Gross profit		**138,466**	5,479
Other revenue		**16,048**	7,169
Other net income		**1,004**	—
Selling expenses		**(6,317)**	(2,188)
Administrative expenses		**(110,914)**	(14,432)
Impairment losses on fixed assets and construction in progress		**(34,348)**	—
Impairment losses on intangible assets		**(828,733)**	—
Loss from operations		**(824,794)**	(3,972)
Finance costs	*3(a)*	**(13,197)**	(1,025)
Loss before taxation	*3*	**(837,991)**	(4,997)
Income tax	*4*	**(31,930)**	—
Loss for the period		**(869,921)**	(4,997)
Attributable to:			
Equity shareholders of the Company		**(465,239)**	(2,598)
Minority interests		**(404,682)**	(2,399)
Loss for the period		**(869,921)**	(4,997)
Loss per share — basic	*5(a)*	**7.72 cents**	0.05 cents
Loss per share — diluted	*5(b)*	**7.71 cents**	0.05 cents

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET
at 30 June 2008 — Unaudited
(Expressed in Hong Kong dollars)

	Note	At 30 June 2008 $'000	At 31 December 2007 $'000
Non-current assets			
Fixed assets			
— Property, plant and equipment		**481,982**	460,609
— Interests in leasehold land held for own use under operating leases		**307,874**	316,658
Construction in progress		**100,556**	87,496
Intangible assets		**4,219,936**	4,808,088
Goodwill		**8,200**	8,200
Interest in jointly controlled entities		**—**	—
Other receivables	*7(a)*	**82,065**	92,246
Available-for-sale securities		**14,292**	—
Deferred tax assets		**2,568**	1,514
		5,217,473	5,774,811
Current assets			
Inventories		**141,165**	46,223
Trade and other receivables	*7(b)*	**411,084**	370,711
Cash and cash equivalents		**1,092,623**	1,247,594
		1,644,872	1,664,528
Current liabilities			
Trade and other payables	*8*	**324,698**	256,130
Deferred income		**64,255**	53,814
Bank loans		**124,305**	127,467
Other loans		**1,135**	1,067
Loans from minority shareholders		**150,500**	150,500
Current taxation		**110,365**	184,261
		775,258	773,239
Net current assets		**869,614**	891,289

	Note	At 30 June 2008 $'000	At 31 December 2007 $'000
Total assets less current liabilities		**6,087,087**	6,666,100
Non-current liabilities			
Other payables		**95,092**	116,986
Deferred income		**83,657**	79,976
Bank loans		**90,816**	85,333
Other loans		**4,870**	4,576
Deferred tax liabilities		**733,382**	726,195
		1,007,817	1,013,066
NET ASSETS		**5,079,270**	5,653,034
CAPITAL AND RESERVES			
Share capital		**602,665**	602,665
Reserves		**3,120,175**	3,390,227
Total equity attributable to equity shareholders of the Company		**3,722,840**	3,992,892
Minority interests		**1,356,430**	1,660,142
TOTAL EQUITY		**5,079,270**	5,653,034

NOTES:

(Expressed in Hong Kong dollars)

1. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance on 26 September 2008.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2007 annual financial statements.

The interim financial report is unaudited, but has been reviewed by the Audit Committee of the Company.

2. Segment information

Business segments

The principal activities of the Group are mining operations and processing and storage of cord blood.

The analysis of the principal activities of the operations of the Company and its subsidiaries are as follows:

For the six months ended 30 June 2008

	Processing and storage of blood	Mining					
		Molybdenum	Copper and Zinc	Rutile	Others	Sub-total	Total
	\$'000	*\$'000*	*\$'000*	*\$'000*	*\$'000*	*\$'000*	*\$'000*
Segment revenue:							
Turnover from external customers	12,416	216,892	51,164	—	6,557	274,613	287,029
Other revenue from external customers	—	984	4,409	—	431	5,824	5,824
	12,416	217,876	55,573	—	6,988	280,437	292,853
Segment result	(348)	99,960	(25,803)	(800,351)	(9,590)	(735,784)	(736,132)
Unallocated operating income and expenses							(88,662)
Loss from operations							(824,794)
Finance costs							(13,197)
Loss before taxation							(837,991)
Taxation							(31,930)
Loss after taxation							(869,921)

For the six months ended 30 June 2007

	Processing and storage of cord blood *$'000*	Mining Rutile *$'000*	Total *$'000*
Segment revenue:			
Turnover from external customers	9,920	—	9,920
Segment result	480	(4,927)	(4,447)
Unallocated operating income and expenses			475
Loss from operations			(3,972)
Finance costs			(1,025)
Taxation			—
Loss for the period			(4,997)

Geographical segments

The following table provides a geographical analysis of the Group's turnover according to the location of customers:

	Six months ended 30 June	
	2008	2007
	$'000	*$'000*
Turnover		
Hong Kong	**12,416**	9,920
The PRC	**157,057**	—
Europe	**110,134**	—
Korea	**7,422**	—
	287,029	9,920

3. Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2008	2007
	$'000	*$'000*
(a) Finance costs:		
Interest on bank loans wholly repayable within five years	**8,157**	—
Interest expense on financial liabilities measured at amortised cost	**5,040**	1,025
	13,197	1,025
(b) Other items:		
Depreciation on property, plant and equipment	**13,352**	764
Amortisation		
— interests in leasehold land held for own use under operating leases	**3,250**	—
— intangible assets	**53,437**	—
Net foreign exchange loss	**1,522**	3,326
Operating lease charges		
— land and buildings	**1,706**	2,093
— office equipment	**18**	17
Impairment losses		
— property, plant and equipment	**5,098**	—
— interests in leasehold land held for own use under operating leases	**25,035**	—
— construction in progress	**4,215**	—
— intangible assets	**828,733**	—
— trade and other receivables	**446**	236
Government grants	**(5,824)**	—
Interest income	**(10,075)**	(7,168)

4. Income tax

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2008	2007
	$'000	*$'000*
Current tax — PRC Enterprise Income Tax		
Provision for the period	**71,019**	—
Deferred tax		
Origination and reversal of temporary differences	**(39,089)**	—
	31,930	—

The provision for PRC Enterprise Income Tax has been calculated based on the estimated taxable income at a rate of 25% during the period.

No provision for Hong Kong Profits Tax has been made as the Group's operations in Hong Kong sustained a loss for Hong Kong Profits Tax purposes during the current and the prior period.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC ("the New Tax Law"), which became effective on 1 January 2008. Furthermore, the State Council of the PRC passed the implementation guidance ("the Implementation Guidance") on 26 December 2007, which sets out the details of how the existing preferential income tax rate will be adjusted to the standard rate of 25%. According to the New Tax Law, from 1 January 2008, the applicable corporate income tax rates for enterprises in the PRC will be reduced from 33% to 25%. Subsidiaries of the Group incorporated in the PRC except for the entity described below will be subject to corporate income tax rate of 25%, effective on 1 January 2008.

Any unutilised tax holidays will continue until expiry and tax holidays which have not commerced due to losses in prior years are deemed to have started from 1 January 2008, even if the entity is not yet reporting a profitable year. In view of the new regulations, Shanxi Shenli Aerospace Titanium Company Limited's tax holidays commenced on 1 January 2008.

In addition, under the New Tax Law, with effect from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the Minister of Finance and State Administration of Tax approved Caishui (2008) No.1, pursuant to which dividend distribution out of pre-2008 retained earnings of foreign investment enterprises will be exempted from withholding income tax. Withholding income tax on estimate dividends of $35,014,000 has been recognised in respect of the profits derived in the PRC during the six months ended 30 June 2008.

5. Loss per share

(a) Basic loss per share

The calculation of basic earnings per share for the six months ended 30 June 2008 is based on the loss attributable to equity shareholders of the Company of $465,239,000 (six months ended 30 June 2007: $2,598,000) and the weighted average number of shares in issue during the six months ended 30 June 2008 of 6,026,653,000 (six months ended 30 June 2007: weighted average number of 4,735,210,000), calculated as follows:

Weighted average number of ordinary shares

	Six months ended 30 June	
	2008	2007
	('000)	*('000)*
Issued ordinary shares at 1 January	**6,026,653**	4,720,781
Effect of shares issued	—	14,429
Weighted average number of ordinary shares at 30 June	**6,026,653**	4,735,210

(b) Diluted loss per share

The calculation of diluted earnings per share for the six months ended 30 June 2008 is based on the loss attributable to equity shareholders of the Company of $465,239,000 and the weighted average number of shares in issue during the six months ended 30 June 2008 of 6,032,352,000, after adjusting for the effect of dilutive potential ordinary shares under the Company's share option scheme.

There were no dilutive potential ordinary shares during the six months ended 30 June 2007 and, therefore, diluted earnings per share is the same as the basic loss per share.

6. Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: $Nil).

7. Trade and other receivables

(a) Non-current other receivables comprise:

	Note	At 30 June 2008 $'000	At 31 December 2007 $'000
Downpayments	(i)	**14,741**	13,972
Loans and advances to business associate	(ii)	**67,324**	71,500
Loans to employees and officers		**—**	6,774
		82,065	92,246

Notes:

(i) Downpayments were paid to relevant local authorities for the acquisition of leasehold lands located in Heilongjiang and Shanxi, the PRC.

(ii) Loans and advances to business associates are unsecured, interest-free and repayable within 2009.

(b) Current trade and other receivables (net of allowance for doubtful debts) comprise:

	At 30 June 2008 $'000	At 31 December 2007 $'000
Trade debtors and bills receivable	**294,942**	300,027
Other receivables	**21,973**	24,035
Amount due from export sales agent	**57,634**	16,827
Amount due from jointly controlled entities	**588**	217
Amount due from minority shareholders	**1,135**	1,067
Deposits and prepayments	**34,812**	28,538
	411,084	370,711

Included in current trade and other receivables are trade debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	At 30 June 2008	At 31 December 2007
	$'000	*$'000*
0 to 30 days	**181,068**	169,897
31 to 60 days	**50,830**	66,874
61 to 90 days	**11,690**	34,692
Over 90 days	**51,354**	28,564
	294,942	300,027

Included in trade receivables of the Group are amount due from a minority shareholder of $14,359,000 (31 December 2007: $30,227,000).

Included in other debtors of the Group are amounts totalling $8,525,000 (31 December 2007: $7,965,000) which represent loans to business associates. All loans are unsecured, interest-free and repayable on demand except for a loan with a remaining balance of $4,212,000 (31 December 2007: $3,741,000) as at 30 June 2008 which is interest bearing with a fixed interest rate of 10% per annum and secured by a building together with the related land use right located in Harbin, the PRC.

Amount due from export sales agent represents settlements received from overseas customers by the export sales agent on behalf of the Group. Such amounts are unsecured, interest-free and expected to be recovered within one year.

The amounts due from jointly controlled entities and minority shareholders are unsecured, interest-free and have no fixed terms of repayment.

All of the other trade and other receivables, apart from those mentioned in the above and certain deposits and prepayments of $1,172,000 (31 December 2007: $1,141,000), are expected to be recovered or recognised as expense within one year.

Management of the Group has reviewed the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made to irrecoverable amounts.

In respect of mining operations, credit evaluations are performed on all customers requiring credit over a certain amount. These receivables are due within 90 days from the date of billing. Billings to customers are normally made immediately after the date of delivery except for billings to copper and zinc customers which are made after 1 to 2 months from the date of delivery when metal contents are tested and confirmed by the customers. Overseas customers are required to settle in cash on delivery. Normally, the Group does not obtain collateral from customers.

8. Trade and other payables

	At 30 June 2008 $'000	At 31 December 2007 $'000
Trade payables	**10,472**	13,621
Receipts in advance	**4,227**	10,467
Other payables and accruals	**206,447**	164,582
Amount due to a minority shareholder	**142**	2,807
Current portion of mining right payables	**103,410**	64,653
	324,698	256,130

The amount due to a minority shareholder is unsecured, interest-free and has no fixed terms of repayment.

Included in other payables are retention payables of $1,018,000 (31 December 2007: $961,000) in respect of construction works which are expected to be settled after one year.

Included in trade and other payables are trade payables with the following ageing analysis as of the balance sheet date:

	At 30 June 2008 $'000	At 31 December 2007 $'000
Due within 3 months or on demand	**5,854**	10,287
Due after 3 months but within 6 months	**41**	437
Due after 6 months but within 1 year	**1,806**	225
Due after 1 year	**2,771**	2,672
	10,472	13,621

9. Litigation

As set out in 2007 annual report, there are disputes between two former shareholders of Top Rank International Group Limited, a subsidiary of the Company which owns 90% equity interest in Shanxi Shenli Aerospace Titanium Company Limited, the company which holds the rutile mine. Based on advice from the Company's PRC legal adviser, there was no change in status of the Company compared with the year ended 31 December 2007. A judgement was made by the Shenzhen City Middle People's Court on 17 December 2007 in favour of the relevant members of the Group. As set out in the 2007 annual report and the announcement of the Company dated 18 March 2008, the Company has on 6 March 2008 received a copy of the Application for Civil Appeal (民事上訴狀) dated 3 March 2008 from the plaintiff which was lodged with the Guangdong Province High Court (the "Application"), pursuant to which the plaintiff has made an application to the Guangdong Province High Court to appeal for the revocation of the judgement orders (a) and (c) made against the plaintiff as referred to in the announcement of the Company dated 4 February 2008 and for support of all claims of the plaintiff. The court hearing was held in June 2008 and as at the date hereof, the Company has not received any judgement issued by the Guangdong Province High Court in relation to the Application. The directors of the Company do not anticipate any significant adverse impact on the financial position or operating results of the Group resulting from the Application up to the date of this report. The directors of the Company are of the view that the Group has proper and valid defenses to the claims, and accordingly, no provision has been accounted for in this financial report in connection with the litigation.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Review

For the six months ended 30 June 2008, China Mining Resources Group Limited (the "Company") together with its subsidiaries (the "Group") reported a consolidated turnover of HK$287,029,000 (six months ended 30 June 2007: HK$9,920,000), an increase of 2,793.4% over the corresponding period in 2007. The increase was mainly attributable to the consolidation of results of Harbin Songjiang Copper (Group) Company Limited ("Harbin Songjiang") and its subsidiaries ("Harbin Songjiang Group") following the acquisition of a 75.08% equity interest in Harbin Songjiang which was completed on 5 July 2007 (the "Acquisition").

The Group's unaudited loss attributable to equity shareholders amounted to HK$465,239,000 (six months ended 30 June 2007: loss of HK$2,598,000). In particular, impairment losses on fixed assets and construction in progress of HK$34,348,000 (attributable to equity shareholders of HK$22,902,000) and impairment losses on intangible assets of HK$828,733,000 (attributable to equity shareholders of HK$428,209,000) were made during the period. The impaired assets had no significant contribution to the Group's turnover for the six months ended 30 June 2008. On exclusion of the above impairment losses, the Group's EBITA for the six months ended 30 June 2008 was HK$108,326,000 (2007: loss of HK$3,208,000).

Review of Operations

Harbin Songjiang Group

Harbin Songjiang is based in Harbin, Heilongjiang Province, the People's Republic of China ("PRC") and specializes in the mining and processing of molybdenum, copper and zinc of which molybdenum accounts for the majority of its production and earnings. Harbin Songjiang Group contributed HK$274,613,000 and HK$48,757,000 to the Group's turnover and loss for the period respectively for the six months ended 30 June 2008. The loss for the period was mainly due to (1) impairment losses in aggregate of HK$63,184,000 were made for assets of Harbin Songjiang Group, and (2) additional amortisation of HK$51,126,000 resulting from the recognition of fair value of mining rights upon the Acquisition.

Please note that "Year ended 31 December 2007" in the following section — "Turnover" and "Cost of Sales and Gross Profit" representing the period from the Acquisition to 31 December 2007.

Turnover

Revenue generated from ferro molybdenum, copper and zinc and others were HK$216,892,000, HK$51,164,000 and HK$6,557,000 respectively. The average selling prices for ferro molybdenum and copper were HK$308,800 per tonne and HK$53,162 per tonne (Year ended 31 December 2007: HK$297,989 per tonne and HK$46,600 per tonne) respectively. The production volume of ferro molybdenum for the period was 1,067 tonnes as compared with 1,234 tonnes for the same period in 2007, which was the period before the Acquisition. The decrease in output of molybdenum was mainly due to lower in average grade in the sector exploited during the period.

Cost of Sales and Gross Profit

The cost of sales of Harbin Songjiang Group for the six months ended 30 June 2008 was HK$143,438,000 and the gross profit margin was 48% (Year ended 31 December 2007: 27.2%). This was primarily due to (1) an one-off fair value adjustment on inventory of HK$216,647,000 was included in cost of sales in Year ended 31 December 2007 as a result of the Acquisition, the gross profit for Year ended 31 December 2007 was 59.3% had the above adjustment been excluded, and (2) the increase was partly offset by the increase in export tariff on ferro molybdenum from 10% to 20% which took effect from 1 January 2008.

Rutile Mining

The rutile mine owned by the Group covers an area of two square kilometers with an estimated exploitation potential of approximately 1.9 million tonnes. Depending on the development of market conditions, the construction of the rutile mine as held by it would be temporarily suspended due to the increase in construction costs and land premium in respect of the premises on which the plant of the rutile mine is to be situated and the neighboring land area, and the decrease in market price of rutile related products. In this connection, the directors of the Company had decided to take a conservative view and make an impairment provision for mining right of HK$799,897,000 for the Group's investment in the rutile business.

In addition, as stated in note 9 above, there are disputes between two former shareholders of Top Rank International Group Limited, which owns 90% equity interest in Shanxi Shenli Aerospace Titanium Company Limited, the company which holds the rutile mine. Based on advice from the Company's PRC legal adviser, there will be no effect to the Group's ownership and operations of the mine. Moreover, the litigations have already brought obsession to shareholders and investors of the Company, therefore we will explore options to best utilize our rutile assets.

Umbilical Cord Blood Storage

During the period under review, the umbilical cord blood storage service business has been growing by 25% as a result of increase in service fees and number of customers.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2008, the Group had total assets and net assets of HK$6,862,345,000 (31 December 2007: HK$7,439,339,000) and HK$5,079,270,000 (31 December 2007: HK$5,653,034,000) respectively. The current ratio was 2.1, as compared to 2.2 as of year ended 31 December 2007.

The Group had bank balances and cash amounted to approximately HK$1,092,623,000 (31 December 2007: HK$1,247,594,000), of which most were denominated in Renminbi and Hong Kong dollars.

At the balance sheet date, the Group had (i) borrowings from minority shareholders of HK$150,500,000 (31 December 2007: HK$150,500,000) which were all interest-free, (ii) bank borrowings of HK$215,121,000 (31 December 2007: HK$212,800,000) which were interest-bearing at floating rates with reference to the prevailing borrowing rate quoted by the People's Bank of China and (iii) other loans of HK$6,005,000 (31 December 2007: HK$5,643,000), of which HK$1,135,000 was interest-free and HK$4,870,000 was interest-bearing at 2.55% per annum. The gearing ratio, as a ratio of total borrowings to shareholders' fund was 10.0% (31 December 2007: 9.2%).

Foreign Exchange Risk Management

As part of the Group's assets and liabilities are denominated in Renminbi, in order to minimize the foreign currency risk, the Group aims to utilize the fund for transactions that are denominated in the same currency.

Share Capital

There was no change in share capital during the period. As at 30 June 2008, the Company had 6,026,652,853 shares in issue with total shareholders' fund of the Group amounting to approximately HK$3,772,840,000.

Contingent Liabilities

Certain bank loans of the Group as at 30 June 2008 were guaranteed by a third party. In return, a subsidiary of the Group has provided guarantees for certain bank loans totalling HK$56,760,000 (equivalent to RMB50,000,000) (31 December 2007: HK$53,333,000 (equivalent to RMB50,000,000)) in favour of the same third party. In addition, the Group has provided another guarantees for banking facilities up to HK$53,333,000 (equivalent to RMB50,000,000) to the same third party as at 31 December 2007.

Save as disclosed above, the Group has no other material contingent liabilities as at 30 June 2008.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

There were no material acquisitions or disposals of subsidiaries and associated companies during the period.

Employees and Remuneration Policies

As at 30 June 2008, the Group had 56 and 2,550 employees in Hong Kong and Mainland China respectively. Employees are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include medical scheme, group insurance, mandatory provident fund for Hong Kong employees, social insurance packages for Mainland China employees, performance bonus and share option scheme. According to the share option scheme adopted by the Company on 26 June 2002, share options may be granted to directors, employees and other eligible participants of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

Prospects

The first half of 2008 has been a difficult period for the Group. For the Harbin Songjiang Group, the quality of mineral resources extracted from Nuoergai Copper Mine located in Inner Mongolia was not satisfactory and the exploration results in certain locations in Inner Mongolia were not proved to be commercially viable, accordingly impairment provisions have been made on the related assets. In addition, as announced on 17 September 2008, the operations of the copper and zinc mine of Harbin Songjiang Group (the "Copper Mine") had been suspended as the Copper Mine is an aged mine which would require more attention and care in terms of production safety. Harbin Songjiang Group is currently performing safety inspection on its operations and the current intention is that the Copper Mine shall resume operation before the second half of next year. For the rutile mine located in Shanxi, the development would be temporarily suspended due to unfavourable market conditions. The Group, however, will confront these difficulties positively and will be actively looking for the best solutions to minimise the negative impact to the Group.

Notwithstanding the above difficulties, the Board still has strong confidence in the Group's future. The Group will continuously grow steadily taking into account of our strong fundamentals and capabilities. For the six months ended 30 June 2008, the Group holds approximately HK$1.1 billion cash on hand with a low gearing ratio of 10.0%. Whereas the molybdenum mine of Harbin Songjiang Group is still an excellent cash generating asset to the Group. The Board believes it is a good opportunity for mergers & acquisitions in this under-pressured global commodity market. Therefore, the Group will actively look for attractive mergers and acquisitions opportunities which can best utilize our cash and expertise in mining. The Group will continue in our effort to reach our aim — to become a leading player in the mining sector in Asia.

CORPORATE GOVERNANCE

The Company is committed to comply with established best practice in corporate governance and is in line with those practices as set out in the Company's 2007 Annual Report. The Board believes that good corporate governance is crucial to enhance the performance of the Group and to safeguard the interests of the shareholders.

Compliance With The Code On Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2008.

Compliance With The Model Code For Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Upon specific enquiries, all Directors confirmed they had complied with the required standard set out in the Model Code during the six months ended 30 June 2008.

Audit Committee

The Audit Committee comprises of three Independent Non-executive Directors. They are responsible for ensuring the quality and integrity of internal control, conducting review of the Group's accounting principles and practices, risk management and the Group's interim and annual accounts.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its securities during the six months ended 30 June 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the six months ended 30 June 2008.

AUDIT COMMITTEE

The Audit Committee and management have reviewed the accounting principles and policies adopted by the Group and the unaudited interim financial statements for the six months ended 30 June 2008.

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2008.

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

Hong Kong, 26 September 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.