

To: Business Editor (For immediate release)



China Mining Resources Group Limited
(Stock Code: 340)

ANNOUNCES ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

TURNOVER UP 3,910.2% TO HK\$696,416,000

GROSS PROFIT UP 1,998.6% TO HK\$195,299,000

**ACQUISITION OF HARBIN SONGJIANG TO COMPLEMENT EXISTING MINING BUSINESS
PAVING THE WAY TO BECOME A LEADING MINER IN ASIA**

<u>Financial Highlights</u>	For the year ended 31 December (HK\$'000)		
	2007	2006	Change (%)
Turnover	696,416	17,366	3,910.2%
Gross Profit	195,299	9,306	1,998.6%
Gross Profit Margin	28.0%	53.6%	-25.6%
Operating Profit (Loss)	267,036	(19,389)	-
Net Profit (Loss)	212,297	(8,244)	-
Net Profit Margin	30.5%	-	-
Earnings (Loss) Per Share - Diluted	3.9 cents	(0.29) cents	-

(Hong Kong, 14 April, 2008) – China Mining Resources Group Limited (“China Mining” or the “Group”) (Stock Code: 340), a leading player in mining and metal products processing industry in China, today announced its annual results for the year ended 31 December, 2007 (the “Year”).

During the Year, the Group recorded a turnover of HK\$696,416,000 (2006: HK\$17,366,000), representing an increase of 3,910.2% as compared to last year. Operating profit and net profit amounted to HK\$267,036,000 (2006: loss HK\$19,389,000) and HK\$212,297,000 (2006: loss HK\$8,244,000), respectively. The increase in operating profit and net profit was mainly attributable to the contribution from the newly acquired molybdenum miner and processor, Harbin Songjiang Copper (Group) Company Limited (“Harbin Songjiang”), together with its subsidiaries (“Harbin Group”).

The negative goodwill of HK\$281,622,000 arising from the acquisition was recognized as other net income, whereas staff costs of HK\$137,291,000 arising from granting of share options to key employees of the Group was recognized as expenses and fair value adjustment on inventory of HK\$217,012,000 arising from the acquisition was recorded as cost of sales.

Mr. Cai Yuan, Chairman of China Mining, said, “In 2007, the Group successfully acquired a 75.08% equity interest in Harbin Songjiang, a strategic move to complement our existing mining business. The acquisition not only brings an enhanced profit contribution to the Group, but also a significant amount of industry expertise, which will further strengthen our operational capabilities, and take us one step closer to becoming a leading industry player in Asia.”

Mr. Cai added, “We are confident that the Group will continue to grow rapidly in the near future. We will proactively seek strategic acquisition opportunities, as well as foster organic growth by improving our operational and mining resources management. In view of the strong balance sheet and healthy financial position of the Group, we will prudently increase our natural resources assets and production capabilities to further bolster our position in the mining industry.”

Review of Operations

Harbin Songjiang

In July 2007, the acquisition of a 75.08% equity interest in Harbin Songjiang was completed. Harbin Songjiang is based in Harbin, Heilongjiang Province, the People's Republic of China and specializes in the mining and processing of molybdenum, copper and zinc. The completion of the acquisition provided the Group with an immediate revenue stream and cash. During the period from 6 July 2007 to 31 December 2007, Harbin Songjiang contributed HK\$674,955,000 and HK\$97,834,000 to the turnover and net profit attributable to shareholders of the Group respectively for the year ended 31 December 2007.

The turnover of Harbin Songjiang for 2007 was RMB932,034,000 (2006: RMB801,518,000) representing an increase of RMB130,516,000 or 16.3% when compared with last year. The increase was mainly attributable to the growth in sales volume of ferro molybdenum of 564 tonnes or 29.4% (from 1,920 tonnes in 2006 to 2,484 tonnes in 2007) and the increase in average selling prices. The average selling prices for ferro molybdenum, copper and zinc for 2007 were RMB285,853 per tonne, RMB46,125 per tonne and RMB15,378 per tonne (2006: RMB265,182 per tonne, RMB42,071 per tonne and RMB10,633 per tonne), respectively.

However, the increase was partially offset by the decrease in sales volume of copper and zinc from 4,826 tonnes and 4,778 tonnes respectively in 2006 to 3,354 tonnes and 2,826 tonnes respectively in 2007 due to aging of the mine.

The cost of sales of Harbin Songjiang increased from RMB230,062,000 in 2006 to RMB259,481,000 in 2007. Gross profit margin remained steady at 72.2% in 2007 (2006: 71.3%). This was primarily due to 1) the increase in average selling prices in ferro molybdenum, copper and zinc as mentioned above; 2) the increase was offset by a levy of a 10% export tariff on ferro molybdenum which took effect from 1 November 2006; and 3) increase in amortization of mining rights in respect of consideration for transferring mining licenses from state-owned to privately-owned upon the Harbin Songjiang acquisition.

Rutile Mining

The rutile mine owned by the Group covers an area of two square kilometers with an estimated reserve of approximately 1.9 million tonnes. A processing plant with an annual processing capacity of 1.5 million tonnes of ore and a tetrachloride production plant with an annual production capacity of 42,000 tonnes were under construction and therefore have yet to contribute revenue to the Group during the year.

Being hampered by bad weather as well as additional time consumed in handling relocation of domestic residences, the completion of the project was delayed. The Group endeavors to get the project completed as soon as possible and anticipate that the plant will start production in 2009.

Umbilical Cord Blood Storage

During the Year, revenue from the umbilical cord blood storage service amounted to HK\$21,461,000 (2006: HK\$17,366,000), representing an increase of 23.6% as compared to last year.

Prospects

The Group will continue to focus on adopting a dynamic strategy to meet the changing market needs, proactively seeking beneficial and synergistic acquisition opportunities.

The Group has successfully integrated the operations of Harbin Songjiang in 2007, and brought to the Group a team of experts in the mining industry which strengthened the Group's operational capabilities as well as execution capabilities for potential forthcoming acquisitions. The Group will continue to strategically increase its holding in natural resources and expand the production capabilities to enhance its position in the mining industry.

With cash on hand of over HK\$1.2 billion and a low gearing ratio of 9.2%, the Group is well-positioned to further acquire attractive mining targets. It aims to become one of the leading miners in Asia through organic growth as well as mergers and acquisitions to maximize shareholders' returns.

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About China Mining Resources Limited (Stock Code: 340)

China Mining is principally engaged in the business of exploration and mining of natural resources, including molybdenum, copper, zinc and natural rutile. The Group's core holding includes a 57% equity interest in Lead Sun Investment Limited, a company primarily engaged in the mining and processing of rutile and related products, and a 75.08% equity interest in Harbin Songjiang, a leading miner and processor of molybdenum, copper and zinc.

Financial highlights of Harbin Songjiang for the year ended 31 December

	2007	2006
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Turnover	932,034	801,518
Cost of Sales	(259,481)	(230,062)
Gross profit	672,553	571,456
Other revenue	22,130	18,458
Other net income	6,388	1,277
Selling expenses	(9,478)	(10,198)
Administrative expenses	(90,022)	(65,928)
Profit from operations	601,571	515,065
Finance costs	(21,866)	(15,569)
Share of profit of associate	-	104
Profit before taxation	579,705	499,600
Income tax	(178,349)	(168,135)
Profit for the year	401,356	331,465
Attributable to:		
Equity owners of the Company	403,463	328,218
Minority interests	(2,107)	3,247
Profit for the year	401,356	331,465

Released by **CCG Elite Investor Relations** for and on behalf of **China Mining Resources Limited**.

For further information, please contact:

Investor Relations:

Ms. Joanna Rui
Tel.: (852) 3183 0229
Fax: (852) 2155 9165
Email: joanna.rui@ccgelite.com

Media Relations:

Mr. Bunny Lee
Tel.: (852) 3183 0282
Fax: (852) 2155 9165
Email: bunny.lee@ccgelite.com