



CHINA NATIONAL RESOURCES DEVELOPMENT HOLDINGS LIMITED

中國資源開發集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00661)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

Due to the impairment losses on goodwill arising on acquisition of a subsidiary of the Company, the audited financial results of the Company for the year ended 30 April 2008 are expected to record a substantial loss as compared to the corresponding period in 2007.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China National Resources Development Holdings Limited (the “Company”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of the Company hereby informs the shareholders and the public that , the audited results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30 April 2008 are expected to record a substantial loss as compared to the corresponding period in 2007 due to the impairment losses on goodwill arising on acquisition of 51% interest in China Reservoir Mining Limited (a subsidiary of the Company). Details of acquisition were set out in the circular of the Company dated 29 June 2007. Pursuant to the purchase agreement, the purchase consideration was determined at HK\$300 million by the issue of shares of the Company at HK\$0.30 per share which represented the fair value on acquisition of 51% interest in China Reservoir Mining Limited.

The Company issued 1,000 million shares to vendors at date of completion of acquisition. However, the value of the shares issued was required to state at the market price HK\$1.30 per share at the date of allotment of shares to vendors in accordance with the HKFRS3 Business Combinations. The excess value over the fair value of subsidiary acquired was charged to the income statement as impairment loss.

* *for identification purpose only*

As the Company is still in the process of finalizing the results for the year ended 30 April 2008, the information contained in this announcement is only based on the preliminary assessment by the Company. Details of the Group's results will be disclosed in the annual results announcement of the Company to be released on 28 August 2008.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board of
CHINA NATIONAL RESOURCES DEVELOPMENT HOLDINGS LIMITED
Wang Jian Sheng
Chairman

Hong Kong, 27 August 2008

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Jian Sheng as the chairman and executive director; Mr. Li Qiao Feng and Mr. Zhang He as executive directors; Mr. Wang Bao Lin as non-executive director; and Mr. Wang Guoqi, Mr. Wang Qihong and Mr. Wong Sat as independent non-executive directors.