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**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)**

**OBTAINED GOVERNMENT APPROVAL REGARDING  
THE ACQUISITION BY DAYE NON FERROUS  
AND SIGNED AN OFFICIAL ACQUISITION AGREEMENT**

**CONTINUING CONNECTED TRANSACTIONS**

**RESUMPTION OF TRADING**

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

Reference is made to the Announcement of the Company in relation to the acquisition of 49.89% equity interest in the holding company of the Group by Daye Non Ferrous.

The Group announces that, the framework agreement signed between the sole shareholder of China Times and Daye Non Ferrous in relation to the acquisition of 49.89% equity interest in China Times by Daye Non Ferrous was officially approved by SASAC, the competent regulatory authority of Daye Non Ferrous on 18 November 2008, and that the official acquisition agreement in relation to the above acquisition was signed by both parties on 19 November 2008.

On 8 October 2008, Daye Non Ferrous entered into the Underwriting Agreement with the PRC Subsidiary regarding the copper concentrates produced by the PRC Subsidiary. Upon completion of the Acquisition, Daye Non Ferrous will become an associate of China Times (a substantial shareholder of the Company) under the Listing Rules and therefore, the transactions between Daye Non Ferrous and the PRC Subsidiary pursuant to the Underwriting Agreement will become continuing connected transactions of the Company.

\* for identification purpose only

The Company will comply with all applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules. Upon any variation or renewal of the Underwriting Agreement, the Company will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements of Chapter 14A of the Listing Rules in respect of all continuing connected transactions effected after such variation or renewal.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the shares was suspended with effect from 9:30 a.m. on 20 November 2008 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 25 November 2008.

### **Acquisition**

In the announcement dated 17 November 2008, China National Resources Development Holdings Limited (the "Company", together with its subsidiaries, the "Group") announced that, the sole shareholder of China Times Development Limited ("China Times"), the holding company of the Group, entered into a framework agreement with Hubei Daye Non Ferrous Metals Company ("Daye Non Ferrous"), which is a copper industry stated-owned conglomerate in China and owns one of the five largest raw material production bases of copper in the country, pursuant to which Daye Non Ferrous will acquire 49.89% equity interest in China Times (the "Announcement").

In the Announcement, the Group stated that the framework agreement is subject to its submission to the competent regulatory authority, the State-owned Assets Supervision and Administration Commission (SASAC) made by Daye Non Ferrous and the approval given by SASAC, upon which the sole shareholder of China Times and Daye Non Ferrous will sign the official acquisition agreement.

The Group now announces that, the framework agreement signed between the sole shareholder of China Times and Daye Non Ferrous in relation to the acquisition of 49.89% equity interest in China Times by Daye Non Ferrous was officially approved by SASAC, the competent regulatory authority of Daye Non Ferrous on 18 November 2008, and that the official acquisition agreement in relation to the acquisition of 49.89% equity interest in China Times by Daye Non Ferrous was signed by both parties, the sole shareholder of China Times and Daye Non Ferrous, on 19 November 2008 (the "Acquisition").

The agreement was mainly about:

1. Daye Non Ferrous will acquire 49.89% equity interest in China Times, representing 15.03% of the total number of the Group's issued shares held by Daye Non Ferrous, which is 774,351,165 ordinary shares;
2. The total transfer price is HK\$192,814,059;
3. Daye Non Ferrous will provide nomination in replace of 2-3 members of the board of directors of the Group;
4. Within 15 days after the agreement being signed and become effective, Daye Non Ferrous, as the transferee, will pay 10% of the equity interest transfer payment amount to the transferor, the current shareholder of China Times, which is HK\$19,281,405.90; the current shareholder of China Times should complete the legal procedures related to the transfer of shares within 30 days; after the related procedures are completed, within 15 days Daye Non Ferrous will pay the remaining 90% of the equity interest transfer payment, which is HK\$173,532,653.10; and
5. Daye Non Ferrous will participate in the management of the Group and the investment in subsidiaries.
6. Within 3 years since the completion date of such equity transfer, the original sole shareholder of China Times shall not sign any documents with any other third parties in respect of the equity transfer of China Times.

The Acquisition will enable significant upgrade of the Group's business development functions in such areas like ore exploration, mining and management operation. Daye Non Ferrous will inject capital into projects which are invested by the Group and will eventually inject high quality domestic and foreign mineral resources into the Group subsequent to the completion of the Acquisition. Daye Non Ferrous will also provide support in management and operation as well as technical know-how (e.g. in ore mining and processing) to the Group, thereby to further consolidate the Group's mineral resources and to raise its ability in mineral resources exploration.

With its wealthy mineral resources, competent management professionals, solid reputation in the industry and strong sales network, Daye Non Ferrous will help the Group to attain a healthy and stable development and substantial efficiency. Looking forward, the Group will continue to explore co-operation opportunities in line with the its development plans so as to lay a solid foundation for its development.

### **Continuing Connected Transactions**

Furthermore, on 8 October 2008, Daye Non Ferrous entered into an underwriting agreement (the “Underwriting Agreement”) with Xinjiang Hui Jin Yong Xiang Mining Ltd, a PRC subsidiary of the Group (the “PRC Subsidiary”), regarding the copper concentrates produced by the PRC Subsidiary from October 2008 to December 2009. Set out below are the main contents of the agreement:

1. Underwriting period: October 2008 to December 2009;
2. Underwriting price:
  - (1) Based on the standard that copper concentrates contained 20% copper, the buyout factor is 84%;
  - (2) Buyout price (20% of the copper grading) = the arithmetical average closing price as quoted on the Shanghai Metals Futures Exchange in 5 consecutive trading days of the particular month the factory received delivery X buyout factor.
3. Payment term:
  - (1) In respect of each transaction effected pursuant to the Underwriting Agreement, 80% of the purchase price of the copper concentrates shall be paid in cash by Daye Non Ferrous to the PRC Subsidiary upon the issue of the relevant railway bill of lading;
  - (2) The balance of the 20% of the purchase price shall be paid in cash by Daye Non Ferrous to the PRC Subsidiary within 7 working days after the relevant invoice is issued by the PRC Subsidiary.

As at the date of this announcement, there were total 60 tonnes of copper concentrates sold to Daye Non Ferrous by the PRC Subsidiary.

Upon completion of the Acquisition, Daye Non Ferrous will become an associate of China Times under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and therefore, the transactions between Daye Non Ferrous and the PRC Subsidiary pursuant to the Underwriting Agreement (the “Continuing Connected Transaction”) will become continuing connected transactions of the Company.

The Group is principally engaged in securities trading and investments, property investment, management consultancy and natural resources investment and development.

The Continuing Connected Transactions will be conducted on a regular and continuing basis in the ordinary and usual course of business of the Group. The Board believes that the Continuing Connected Transactions will provide a stable channel for distributing the copper concentrates produced by the PRC Subsidiary. The terms of the Underwriting Agreement were concluded through arm’s length negotiations between Daye Non Ferrous and the PRC Subsidiary. The Directors, including the independent non-executive Directors, are of the view that the Continuing Connected Transactions and the terms thereof are on normal commercial terms and are fair and reasonable in the best interests of the Company and its shareholders as a whole.

Based on its knowledge and reasonable enquiries, the Board confirms that, prior to the completion of the Acquisition, Daye Non Ferrous and its ultimate beneficial owners are third parties independent of the Company.

The Company will comply with all applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules. Upon any variation or renewal of the Underwriting Agreement, the Company will comply in full with all applicable reporting, disclosure and independent shareholders’ approval requirements of Chapter 14A of the Listing Rules in respect of all continuing connected transactions effected after such variation or renewal.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the shares was suspended with effect from 9:30 a.m. on 20 November 2008 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company in the shares of the Company with effect from 9:30 a.m. on 25 November 2008.

By Order of the Board of  
**China National Resources Development Holdings Limited**  
**Zhang He**  
*Executive Director*

Hong Kong, 24 November 2008

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