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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)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2008

INTERIM RESULTS

The board of directors (the “Board”) of China National Resources Development Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 October 2008. The interim results for the six months ended 31 October 2008 have not been audited, but have been reviewed by the Company’s audit committee and auditors.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 October 2008

		Unaudited Six months ended 31 October	
	Notes	2008 HK\$'000	2007 HK\$'000
REVENUE	2	10,620	67,356
COST OF SALES		(14,920)	(65,724)
GROSS (LOSS)/PROFIT		(4,300)	1,632
OTHER REVENUE	3	697	886
GENERAL AND ADMINISTRATIVE EXPENSES		(9,027)	(32,826)
		(12,630)	(30,308)
(LOSS)/GAIN ON CHANGES IN FAIR VALUE OF INVESTMENTS HELD FOR TRADING		(13,319)	41,644
OPERATING (LOSS)/PROFIT	4	(25,949)	11,336
FINANCE COSTS	5	(3)	(174)

* for identification purpose only

		Unaudited	
		Six months ended	
		31 October	
		2008	2007
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(25,952)	11,162
SHARE OF PROFIT OF A JOINTLY CONTROLLED ENTITY		<u>—</u>	<u>59</u>
(LOSS)/PROFIT FOR THE PERIOD		<u>(25,952)</u>	<u>11,221</u>
ATTRIBUTABLE TO:			
Equity shareholders of the company		(24,804)	11,343
Minority interests		<u>(1,148)</u>	<u>(122)</u>
		<u>(25,952)</u>	<u>11,221</u>
(LOSS)/EARNINGS PER SHARE	8	<i>HK cents</i>	<i>HK cents</i>
BASIC		<u>(0.48)</u>	<u>0.35</u>
DILUTED		<u>Nil</u>	<u>0.33</u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 October 2008

		Unaudited 31 October 2008 HK\$'000	Audited 30 April 2008 HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		2,993	2,455
Mining right	9	2,488,859	2,488,859
Jointly controlled entities	10	–	–
TOTAL NON-CURRENT ASSETS		2,491,852	2,491,314
CURRENT ASSETS			
Investments held for trading		12,482	33,704
Trade and other receivables	11	44,590	80,509
Cash and bank balances		79,783	40,869
TOTAL CURRENT ASSETS		136,855	155,082
CURRENT LIABILITIES			
Bank overdraft – unsecured		–	187
Trade and other payables	12	16,160	10,028
Tax payable		1,901	1,901
TOTAL CURRENT LIABILITIES		18,061	12,116
NET CURRENT ASSETS		118,794	142,966
TOTAL ASSETS LESS CURRENT LIABILITIES		2,610,646	2,634,280
NON-CURRENT LIABILITIES			
Cumulative redeemable preference shares	13	110	110
Deferred tax liabilities	14	622,214	622,214
TOTAL NON-CURRENT LIABILITIES		622,324	622,324
NET ASSETS		1,988,322	2,011,956
CAPITAL AND RESERVES			
Share capital	15	257,584	257,584
Reserves		667,939	690,425
Equity attributable to shareholders of company		925,523	948,009
Minority interests		1,062,799	1,063,947
TOTAL EQUITY		1,988,322	2,011,956

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 October 2008

	Unaudited	
	Six months ended	
	31 October	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from/(used in) operating activities	39,898	(24,429)
Net cash (used in)/generated from investing activities	(797)	1,020
Net cash generated from financing activities	<u>—</u>	<u>44,104</u>
Increase in cash and cash equivalents	39,101	20,695
Cash and cash equivalents at 30 April	<u>40,682</u>	<u>19,151</u>
Cash and cash equivalents at 31 October	<u>79,783</u>	<u>39,846</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 October 2008 – Unaudited

	Attributable to equity holders of the company								
	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Exchange reserve	Accumulated losses	Sub-total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 May 2008	257,584	2,670,545	2,241	64,137	(38,740)	(2,007,758)	948,009	1,063,947	2,011,956
Recognition of share-based payment	–	–	–	2,318	–	–	2,318	–	2,318
Loss for the period	–	–	–	–	–	(24,804)	(24,804)	(1,148)	(25,952)
At 31 October 2008	<u>257,584</u>	<u>2,670,545</u>	<u>2,241</u>	<u>66,455</u>	<u>(38,740)</u>	<u>(2,032,562)</u>	<u>925,523</u>	<u>1,062,799</u>	<u>1,988,322</u>
At 1 May 2007	156,086	764,721	2,241	61,926	(37,773)	(841,862)	105,339	–	105,339
Issue of ordinary shares	50,000	1,250,000	–	–	–	–	1,300,000	–	1,300,000
Recognition of share-based payment	–	–	–	25,633	–	–	25,633	–	25,633
Share option exercised	5,602	72,948	–	(34,228)	–	–	44,322	–	44,322
Exchange differences arising on translation of jointly controlled entity	–	–	–	–	(677)	–	(677)	–	(677)
Acquisition of subsidiaries	–	–	–	–	–	–	–	759,694	759,694
Profit/(loss) for the period	–	–	–	–	–	11,343	11,343	(122)	11,221
At 31 October 2007	<u>211,688</u>	<u>2,087,669</u>	<u>2,241</u>	<u>53,331</u>	<u>(38,450)</u>	<u>(830,519)</u>	<u>1,485,960</u>	<u>759,572</u>	<u>2,245,532</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation and principal accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and basis of preparation used in the preparation of the interim financial statements are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 30 April 2008.

The unaudited condensed interim financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value.

HKICPA has issued a number of new standards, amendments to standards and interpretations that are effective for accounting periods beginning on 1 May 2008. The Group has carried out an assessment of these standards, amendments and interpretations and considered that they have no significant impact on these unaudited condensed consolidated interim financial statements.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the company anticipate that the application of these new standards, amendments or interpretations will have no material impact on the results and the financial position of the company.

HKFRS 2 Amendments	Share-based Payment – Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁴

^{1.} Effective for annual periods beginning on or after 1 January 2009.

^{2.} Effective for annual periods beginning on or after 1 July 2009.

^{3.} Effective for annual periods beginning on or after 1 July 2008.

^{4.} Effective for annual periods beginning on or after 1 October 2008.

2. Segment information

(a) *Business segments*

For the six months ended 31 October 2008 and 2007, the Group is engaged in the following three business segments:

- (i) minerals exploration;
- (ii) property investment and management consultancy; and
- (iii) corporate investment and trading in securities.

Segment information by business is presented as follows:

	Unaudited Revenue Six months ended 31 October		Unaudited Segment results Six months ended 31 October	
	2008	2007	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Minerals exploration	–	–	(2,284)	(66)
Property investment and management consultancy	–	–	–	–
Corporate investment and trading in securities	<u>10,620</u>	<u>67,356</u>	<u>(10,120)</u>	<u>(30,153)</u>
	<u>10,620</u>	<u>67,356</u>	<u>(12,404)</u>	<u>(30,219)</u>
(Loss)/gain on changes in fair value of investments held for trading			(13,319)	41,644
Unallocated costs less income			<u>(229)</u>	<u>(263)</u>
			(25,952)	11,162
Share of profit of a jointly controlled entity			<u>–</u>	<u>59</u>
(Loss)/profit for the period			<u>(25,952)</u>	<u>11,221</u>

(b) Geographical segments

No geographical segment information of the Group is shown as the Group's operations, turnover by geographical market and assets are wholly located in Hong Kong and the People's Republic of China.

3. Other revenue

	Unaudited	
	Six months ended 31 October	
	2008	2007
	HK\$'000	HK\$'000
Interest income	291	316
Miscellaneous income	70	335
Dividend income	336	235
	697	886

4. Operating (loss)/profit

Operating (loss)/profit has been arrived at after charging:

	Unaudited	
	Six months ended 31 October	
	2008	2007
	HK\$'000	HK\$'000
Staff costs, including directors' emoluments		
– Salaries and allowances	1,345	596
– Retirement benefit scheme contributions	13	10
– Share-based payments	545	1,103
Depreciation	251	24
Operating leases – land and buildings	446	374
Share-based payments – consultants	1,773	24,530

5. Finance costs

	Unaudited	
	Six months ended 31 October	
	2008	2007
	HK\$'000	HK\$'000
Interest on other loans	–	171
Dividend on cumulative redeemable preference shares (<i>note 7</i>)	<u>3</u>	<u>3</u>
	<u>3</u>	<u>174</u>

6. Taxation

No provision for Hong Kong profits tax and overseas profits tax is made in the financial statements as the Group has no assessable profits for the period.

Deferred tax assets has not been recognised in the financial statements in respect of estimated tax losses due to the unpredictability of future profit streams.

7. Dividend on cumulative redeemable preference shares

	Unaudited	
	Six months ended 31 October	
	2008	2007
	HK\$'000	HK\$'000
Payable of HK\$0.151 per share on 16,485 shares (2007: Payable of HK\$0.151 on 16,485 shares)	<u>3</u>	<u>3</u>

Dividend on cumulative redeemable preference shares is paid half yearly at a rate of 6% per annum on the notional value of HK\$5 per preference share on 30 June and 31 December in each year. Unpaid dividend for the period of approximately HK\$3,000 (2007: HK\$3,000) was accrued at 31 October 2008.

8. (Loss)/earnings per share attributable to equity holders of the company

The calculation of the basic (loss)/earnings per share is based on the unaudited net loss attributable to equity holders of the Company for the six months ended 31 October 2008 of approximately HK\$24,804,000 (six months ended 31 October 2007 profit: HK\$11,343,000) and on the weighted average number of 5,151,679,552 ordinary shares in issue for the six months ended 31 October 2008 (2007: 3,236,352,470 ordinary shares).

The diluted loss per share for the six months ended 31 October 2008 is not presented as the effect is anti-dilutive.

The calculation of diluted earnings per share attributable to the equity holders of the Company for the six months ended 31 October 2007 is based on the profit attributable to the equity holders of the Company of HK\$11,343,000 and on the weighted average of 3,437,687,400 ordinary shares outstanding during the period.

9. Mining right

	Unaudited 31 October 2008 HK\$'000	Audited 30 April 2008 HK\$'000
At cost	<u>2,488,859</u>	<u>2,488,859</u>

10. Jointly controlled entities

	Unaudited 31 October 2008 HK\$'000	Audited 30 April 2008 HK\$'000
Share of net liabilities	(69,990)	(69,990)
Amounts due from jointly controlled entities	136,311	136,311
Amounts due to jointly controlled entities	(20)	(20)
Provision for impairment losses	<u>(66,301)</u>	<u>(66,301)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Equity accounting for the Group's interests in jointly controlled entities has been discontinued since 2004 as the operations of these entities had ceased and receivers were appointed.

The carrying amounts of these jointly controlled entities have been fully impaired.

11. Trade and other receivables

	Unaudited 31 October 2008 HK\$'000	Audited 30 April 2008 HK\$'000
Trade debtors	–	–
Other receivables	19,433	57,202
Prepayments and deposits	<u>25,157</u>	<u>23,307</u>
	<u>44,590</u>	<u>80,509</u>

The ageing analysis of trade debtors is as follows:

0-3 months	<u>–</u>	<u>–</u>
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12. Trade and other payables

	Unaudited 31 October 2008 HK\$'000	Audited 30 April 2008 HK\$'000
Trade payables	–	–
Temporary deposits, accruals and other payables	<u>16,160</u>	<u>10,028</u>
	<u>16,160</u>	<u>10,028</u>

The ageing analysis of trade payables is as follows:–

0-3 months	<u>–</u>	<u>–</u>
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13. Cumulative redeemable preference shares

As at 31 October 2008, 16,485 (30 April 2008: 16,485 convertible cumulative redeemable preference shares) convertible cumulative redeemable preference shares (“CPS”) of HK\$1 each are in issue.

A holder of the CPS is entitled to receive a fixed cumulative preferential dividend at the rate of 6% per annum on the notional value of HK\$5 per CPS to be paid half-yearly on 30 June and 31 December in each year.

A holder of the CPS may convert his shares held at any time into Ordinary Shares at the conversion price of HK\$0.036 per share, subject to adjustment.

The CPS may be redeemed by the holders of the CPS at any time after 30 June 1996 at a redemption price per share equal to the notional value plus accrued dividend.

The Company has the option to redeem all or some of the CPS at any time of the notional value of the CPS if the average of the closing prices of the Ordinary Share quoted on the Stock Exchange over the preceding 30 consecutive dealing days ending on the seventh day prior to the date upon which notice of redemption is given is greater than or equal to 150% of the conversion price in effect on such seventh day.

14. Deferred tax liabilities

	Mining right	
	Unaudited	Audited
	31 October	30 April
	2008	2008
	HK\$'000	HK\$'000
At 31 October and 30 April 2008	<u>622,214</u>	<u>622,214</u>

15. Share capital

	Ordinary shares of HK\$0.05 each ("Ordinary Shares")	
	Number of Shares	HK\$'000
<i>Authorised:</i>		
At 30 April 2008 and at 31 October 2008	<u>30,000,000,000</u>	<u>1,500,000</u>
<i>Issued and fully paid:</i>		
At 30 April 2008 and at 31 October 2008	<u>5,151,679,552</u>	<u>257,584</u>

16. Contingent liabilities

There were no material contingent liabilities under the Group as at 30 April 2008 and 31 October 2008.

17. Commitments

(a) Capital commitments

At the balance sheet date, the capital commitments outstanding not provided for in the financial statements are as follows:

	Unaudited 31 October 2008 HK\$'000	Audited 30 April 2008 HK\$'000
Construction of plant and machinery	<u>3,507</u>	<u>3,507</u>

(b) Commitments under operating leases

At the balance sheet date, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Unaudited 31 October 2008 HK\$'000	Audited 30 April 2008 HK\$'000
Land and buildings		
– Within one year	<u>883</u>	<u>304</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Future Prospects

For the six months ended 31 October 2008, the Group recorded a turnover of approximately HK\$10,620,000 and had an unaudited loss attributable to shareholders of approximately HK\$24,804,000 whereas a profit of approximately HK\$11,343,000 was recorded in the same period in 2007. As at 31 October 2008, the net assets of the Group amounted to HK\$1,988,322,000.

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

Taking the advantage of the current overall business environment in the PRC, the Company is expected to take the opportunity to capture good quality investment and development business, mainly in molybdenum/wolfram and silver/copper minings and related businesses.

On 25 September 2007, the Company successfully acquired 51% equity interest in CRML Group. CRML Group and its subsidiaries are mainly engaged in exploration and mining of molybdenum and wolfram. CRML Group holds the mining license or exploration licenses of the Aleinuer Molybdenum Mine, the Burentsogt Wolfram Mine, the Sala Wolfram Mine and the Tuv Province Wolfram Mine in Mongolia. The molybdenum mine is an outdoor mine with an average grade of 0.6% and molybdenum resources of 26,000 tonnes. Upon the commencement of commercial operation, the Aleinuer Molybdenum will have a daily ore processing volume of 5,000 tonnes and an annual output of approximately 2,400 tonnes of 48% molybdenum ore concentrates.

Through the aforesaid acquisition, the Company has successfully tapped into the investment and development in mining industry in PRC and further strengthens the Company's business.

Another remarkable mining acquisition undertaken by the Company is Xinjiang silver and copper mining project. According to the Company's announcement dated 31 July 2007, on 27 July 2007, Profit Jumbo Investment Ltd. ("Profit Jumbo"), a wholly owned subsidiary of the Company, entered into an agreement with independent third parties in respect of the acquisition of 55% interest in Xinjiang Mining, which holds the mining rights of a copper and silver mine area of approximately 1 km² and exploration rights of a copper and silver mine area of approximately 39 km² located in the Wuqia County in Xinjiang Uygur Autonomous Region, PRC. The acquisition has marked a further step towards the Company's business in the investment and development in mining industry in the PRC. The acquisition was completed in February 2008.

Future Prospects

In the first half of 2008, the Chinese economy maintained rapid growth. According to the National Bureau of Statistics of China, a gross national production for the first half of 2008 was RMB13.0619 trillion, a 10.4% real growth over the corresponding period of last year. Furthermore, total retail sales of consumer goods amounted to RMB8.8439 trillion, a 21.9% real growth over the corresponding period of last year. Urban and rural resident's income continued to grow rapidly and average per capita disposable income for urban and rural are amounted to RMB8,065 and RMB2,528 respectively, a 6.3% and 10.3% growth over the corresponding period last year.

In the first half of 2008, the PRC government introduced macro-economic control measures in response to the concern over the extent of the increase inflation and the overheating of economic growth. During the period under review, the relevant PRC government authorities started to adopted tight monetary policies and prudent financial policies. The People's Bank of China required that the total incremental credit of financial institutions in 2008 should not exceed against the actual incremental credit 2007, and raised the reserve ration against Renminbi deposits of deposit-taking financial institutions for 5 times to alleviate the inflationary pressure and lower the market liquidity.

The silver/copper market recorded a heavy fluctuation with no motivation for significant hike in the first half of 2008 due to narrow supply-demand gap and the spot price has been dropping since May 2008.

The price dropped due to the falling demand under the influences of home and abroad. Firstly, exports slowed down amid global economic recession due to U.S. subprime crises, resulting in the fall of silver/copper demand, which in turn led to a falling demand for silver/copper. Secondly, the silver/copper demand weakened with the state macro control taking effect. Besides, the supply-demand condition is loose resulting from increasing supply and weak consumption. The shrinking market demand withdrew support for the price hike and it could be expected that the domestic spot price of silver/copper will keep in concussion to adjust at a later stage.

Looking ahead, despite the silver/copper prices would stay low for a while. However, the silver/copper demand in China will bounce back in the long run, with the development of industrialization and urbanization and the prices of silver and copper would go moderate amid fluctuations.

The Company continues to strive for strategic acquisitions in mining and processing of molybdenum/wolfram, silver and copper.

The completion of the aforesaid acquisitions will provide the Company with an immediate stream of revenue and brings in a team of experts in the mining industry which will strengthen our operational capabilities in mining activities.

The Group will be continuously searching for other opportunity to build a portfolio of strong mining business with an emphasis on high value added products. This is crucial for the Group's transformation into a substantial participant and ultimately a leading player in the mining sector.

Liquidity and Capital Resources

As at 31 October 2008, the Group had cash and bank balances of HK\$80 million with net current assets totaling to HK\$119 million with current ratio, based on the current assets of approximately HK\$137,042,000 and current liabilities of approximately HK\$18,248,000, of 7.5. The Groups' gear ratio was 24% based on the total liabilities of HK\$641 million and total assets of HK\$2,629 million.

As at 31 October 2008, the Group had neither bank borrowings nor assets pledged to fund/loan providers.

The Group believes that liquid assets, fund and future revenue will be sufficient to finance future expansion and working capital requirement.

Employees, Remuneration Policy and Share Option Scheme

As at 31 October 2008, the Group had a total of 63 employees (including Hong Kong and PRC offices). The remuneration package consists of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to market terms, individual qualification and performance. They are under periodic review based on individual merit and other market factors.

The Company adopted a share option scheme on 13 October 2003 to enable the Company to grant options to selected participants, including employees and directors of the Group, as incentive or rewards for their contribution to the Group.

Foreign Exchange Exposure

The Group's cash balance and short term investments are in the currency of Hong Kong Dollars. Nonetheless, the effect of the exchange rate on the Group's cash flow is minimal and the Group had not employed any financial instrument for hedging purpose.

Contingent liabilities

As at 31 October 2008, the Group had no contingent liabilities.

INTERIM DIVIDEND

The Board of Director has resolved not to declare any interim dividend for the six months ended 31 October 2008 (2007: Nil).

DIRECTORS' INTEREST IN SHARES

As at 31 October 2008, the interest and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company or The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) were as follows:

(i) Long positions in share of the Company

Name of director	Capacity	Number of shares	Approximate percentage of total relevant class of shares in issue
Li Qiao Feng (<i>Note 1</i>)	Beneficial owner	6,330,000 shares	0.12%
Zhang He	Beneficial owner	6,000,000 shares	0.11%
Wang Qihong	Beneficial owner	500,000 shares	0.01%
Wong Sat	Beneficial owner	600,000 shares	0.01%
Wang Guoqi	Beneficial owner	600,000 shares	0.01%
Wang Jian Sheng (<i>Note 2</i>)	Controlled corporation	1,552,116,998 Shares	30.12%
		4,985 CPS	30.24%

Notes:

1. Mr. Li Qiao Feng is an executive Director/CEO of the Company.
2. These Shares and CPS are held by China Times, a company, beneficially wholly-owned by Mr. Wang Jian Sheng, the chairman of the Company,

(ii) Long positions in underlying share of the Company

Name of director	Capacity	Number of shares (Note)
Li Qiao Feng	Beneficial owner	9,000,000 Shares
Zhang He	Beneficial owner	9,000,000 Shares
Wang Qihong	Beneficial owner	900,000 Shares
Wong Sat	Beneficial owner	900,000 Shares
Wang Guoqi	Beneficial owner	900,000 Shares

Note: The long positions in the underlying Shares mentioned above represent the Shares to be issued and allotted upon the exercise in full of the options granted by the Company to the above mentioned directors pursuant the share option scheme of the Company.

Save as disclosed above, none of the Directors, chief executives or their associates had any interests and short positions in any shares, underlying shares and debentures of the Company or any its associated corporations as defined in Part XV of SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

The share option scheme of the Company adopted on 27 October 1988 had been terminated and simultaneously a new share option scheme (the "Scheme") had been approved and adopted at the annual general meeting of the Company held on 13 October 2003.

The purpose of the Scheme is a share incentive scheme to enable the Company to grant option to selected participants as incentives or rewards for their contribution to the Group. Under the Scheme, the Board may, at its discretion, grant options to any eligible participants (as set out in the Company's circular dated 19 September 2003).

The following table discloses movements in the Company's share options during the period:

	No. of options outstanding at 30 April 2008	No. of options exercised during the period	No. of options outstanding at 31 October 2008
Directors			
– Li Qiao Feng	9,000,000	–	9,000,000
– Zhang He	9,000,000	–	9,000,000
– Wang Guoqi	900,000	–	900,000
– Wang Qihong	900,000	–	900,000
– Wong Sat	900,000	–	900,000
Employees and others	<u>160,425,347</u>	<u>–</u>	<u>160,425,347</u>
 Total	 <u><u>181,125,347</u></u>	 <u><u>–</u></u>	 <u><u>181,125,347</u></u>

Details of share options granted are as follows:

Date of grant/ acceptance	Exercise period	Exercise price per share	Closing price immediately before date of offer	Closing price immediately before date of grant
23 Nov 2006	23 Nov 2006 – 6 Nov 2016	HK\$0.107	HK\$0.109	HK\$0.162
7 Dec 2006	2 Dec 2006 – 28 Nov 2016	HK\$0.185	HK\$0.170	HK\$0.233
4 Apr 2007	4 Apr 2007 – 3 Apr 2017	HK\$0.550	HK\$0.560	HK\$0.560

At no time during the period was the Company, its holding company, or any its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Share in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SECURITIES

As at 31 October 2008, so far is known to the Directors, the following persons (other than the Directors and Chief Executives of the Company) had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Long positions in shares of the Company

Name of Shareholder	Capacity	Number of shares	Approximate percentage of total relevant class of shares in issue
China Times (<i>Note 1</i>)	Controlled corporation	1,552,116,988 Shares	30.12%
Mr. Wang Jian Sheng (<i>Note 1</i>)	Beneficial owner	1,552,116,988 Shares	30.12%
Mr. Chen Liang	Beneficial owner	484,541,772 Shares	9.40% (<i>Note 2</i>)
China Times (<i>Note 1</i>)	Controlled corporation	4,985 CPS	30.24%
Mr. Wang Jian Sheng (<i>Note 1</i>)	Beneficial owner	4,985 CPS	30.24%

Notes:

- These Shares are held by China Times, the entire issued capital of which is beneficially owned by Mr. Wang Jian Sheng who is the sole shareholder and sole director of China Times and the Chairman and Controlling Shareholder of the Company.
- The percentage is calculated based on 5,151,679,552 Shares in issue.

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed, no contract of significance, to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at 31 October 2008 or during the period under review.

EQUITY

As at 31 October 2008, the total number of issued and fully paid ordinary shares of the Company was 5,151,679,552 amounted to approximately HK\$257,584,000; and there were 16,485 CPS of HK\$1 each in issue at 31 October 2008.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period under review, the Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in the jurisdiction of Bermuda in which the Company is incorporated.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the period.

AUDIT COMMITTEE

The Company established an audit committee in accordance with the requirements of the Code, for the purpose of reviewing and providing supervising over the Group's financial reporting process and internal controls. The audit committee comprising of three independent non-executive Directors, Messrs. Wang Guoqi, Wang Qihong and Wong Sat. The audit committee of the company has reviewed the interim results for the period ended 31 October 2008.

REMUNERATION COMMITTEE

The Company has established its Remuneration Committee with specific written terms of reference. The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all directors and senior management of the Company and is delegated by the Board with the responsibility to determine on behalf of the Board the specific remuneration packages for all executive directors and senior management of the Company.

The Remuneration Committee comprises three independent non-executive directors, namely Mr. Wang Guoqi, Mr. Wang Qihong and Mr. Wong Sat. The Remuneration Committee has not held any meeting during the period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had complied with the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code. Having made specific enquiry of all Directors, they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transaction by the Directors adopted by the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company executed high standard of business ethics and corporate governance practices. The Board considers such commitment essential in achieving high level of transparency and accountability and it is to the best interest of the shareholders.

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not throughout the period under review, in compliance with the Code on Corporate Governance Practices (“CG Code”), as set out in Appendix 14 to the Listing Rules (except code A4.1 – which specifies term that non-executive directors should be appointed for a specific term, subject to the re-election and code A4.2 – which specifies that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years). However, all directors (including executive and non-executive) of the Company are subject to retirement by rotation at the annual general meeting in accordance with Bye-laws of the Company, as such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practice are no less exacting than those in the Code.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HKEX AND THE COMPANY

The results announcement, as required, has been published on the website of Hong Kong Exchanges and Clearing Limited (“HKEX”) at www.hkex.com.hk under “Latest Listed Company Information” and the Company at www.hk661.com respectively. The interim report of the Company for the period ended 31 October 2008 will be dispatched to the shareholders before 31 January 2009 and will publish on the websites of the HKEX’s and the Company’s websites accordingly.

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

Hong Kong, 20 January 2009

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.