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中國鎂業資源集團有限公司*
MAGNESIUM RESOURCES CORPORATION OF CHINA LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 723)

**PROPOSED CHANGE OF COMPANY NAME
PROPOSED CAPITAL REORGANISATION
AND
PROPOSED CHANGE OF BOARD LOT SIZE**

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “Magnesium Resources Corporation of China Limited” to “Bright Prosperous Holdings Limited”. The proposed change of the Company’s name is subject to passing of a special resolution by the Shareholders at a special general meeting of the Company and the entry of the new name of the Company on the register of companies by the Registrar of Companies in Bermuda. Upon the change of name becoming effective, the Company will adopt the new Chinese name “晉盈控股有限公司” in replacement of “中國鎂業資源集團有限公司” for identification purposes only. The Company will issue a further announcement in relation to the change of the stock short name.

PROPOSED CAPITAL REORGANISATION

The Board proposes to put forward a proposal to the Shareholders to effect the Capital Reorganisation which involves:

- (i) Capital Reduction: the par value of each Existing Share will be reduced from HK\$0.10 to HK\$0.01 by the cancellation of HK\$0.09 of the paid-up capital on each Existing Share;
- (ii) Sub-division: each of the authorised but unissued Shares in the share capital of the Company of par value HK\$0.10 shall be sub-divided into 10 New Shares of par value HK\$0.01 each; and
- (iii) Diminution of Authorised Share Capital: immediately following the Capital Reduction and the Sub-division, the authorised share capital of the Company shall be diminished from HK\$1,000,000,000 to HK\$100,000,000 divided into 10,000,000,000 New Shares of par value HK\$0.01 each by the cancellation of 90,000,000,000 New Shares of par value HK\$0.01 each in the authorised but unissued share capital of the Company.

Following the implementation of the Capital Reorganisation set out above, the Company's authorised share capital shall be HK\$100,000,000 divided into 10,000,000,000 New Shares of par value HK\$0.01 each, and its issued share capital shall be HK\$29,510,769.30 divided into 2,951,076,930 New Shares of par value HK\$0.01 each.

Based on the 2,951,076,930 Existing Shares currently in issue, the aggregate amount of HK\$265,596,923.70 arising from the above Capital Reduction will be applied to set-off the accumulated losses of the Company as of the effective date of the Capital Reduction with the balance (if any) to be transferred to the contributed surplus account of the Company where it may be utilized in accordance with the bye-laws of the Company and all applicable laws. The accumulated losses of the Company stood at approximately HK\$183.33 million as at 31 March 2008.

An SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the proposed change of Company name and the Capital Reorganisation. As no Shareholder has any material interest in the proposed change of Company name and the Capital Reorganisation, no Shareholder is required to abstain from voting in respect of the proposed resolutions to approve the proposed change of Company name and the Capital Reorganisation at the SGM. A circular containing, among other things, details of the proposed change of Company name and the proposed Capital Reorganisation together with a notice convening the SGM will be sent to the Shareholders as soon as practicable.

PROPOSED CHANGE OF BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares from 2,000 Shares to 40,000 Shares with effect from 3 December 2008 to ensure that the market value per board lot would be more than HK\$2,000.

PROPOSED CHANGE OF COMPANY NAME

Reference is made to the Company's announcement (the "Announcement") dated 2 September 2008 in relation to, among other things, the very substantial disposal of a magnesite mining subsidiary.

The Company is an investment holding company. The business of the Group comprises three business segments: building materials supply and installation, property development and magnesite mining. Following completion of the disposal of the magnesite mining subsidiary, the Group will cease to have any business interests in magnesite mining, but will continue to look for other opportunities to diversity its business. Given the aforesaid, the Directors proposes to change the name of the Company from "Magnesium Resources Corporation of China Limited" to "Bright Prosperous Holdings Limited". The proposed change of the Company's name is subject to passing of a special resolution by the Shareholders at a special general meeting of the Company and the entry of the new name of the Company on the register of companies by

the Registrar of Companies in Bermuda. Upon the change of name becoming effective, the Company will adopt the new Chinese name “晉盈控股有限公司” in replacement of “中國鎂業資源集團有限公司” for identification purposes only. The Company will issue a further announcement in relation to the change of the stock short name.

The proposed change of the Company’s name will not affect any of the rights of the Shareholders. All existing share certificates in issue bearing the present name of the Company will continue to be evidence of title to the Shares and will be valid for trading, settlement and registration purposes after the proposed change of name of the Company becoming effective. Accordingly, there will not be any arrangement for free exchange of existing share certificates for new share certificates under the Company’s new name. Any issue of share certificates thereafter will be under the new name of the Company.

The Board considers it to be in the interests of the Company and its Shareholders as a whole to effect the change of name in order not to restrict the emphasis of the business scope of the Group to magnesite resources only.

PROPOSED CAPITAL REORGANISATION

The Board proposes to put forward a proposal for approval by the Shareholders to effect the Capital Reorganisation which involves:

- (i) Capital Reduction: the par value of each Existing Share will be reduced from HK\$0.10 to HK\$0.01 by the cancellation of HK\$0.09 of the paid-up capital on each Existing Share;
- (ii) Sub-division: each of the authorised but unissued Shares in the share capital of the Company of par value HK\$0.10 shall be sub-divided into 10 New shares of par value HK\$0.01 each; and
- (iii) Diminution of Authorised Share Capital: immediately following the Capital Reduction and the Sub-division, the authorised share capital of the Company shall be diminished from HK\$1,000,000,000 to HK\$100,000,000 divided into 10,000,000,000 New Shares of par value HK\$0.01 each by the cancellation of 90,000,000,000 New Shares of par value HK0.01 each in the authorised but unissued share capital of the Company.

Following the implementation of the Capital Reorganisation set out above, the Company’s authorised share capital shall be HK\$100,000,000 divided into 10,000,000,000 New Shares of par value HK\$0.01 each, and its issued share capital shall be HK\$29,510,769.30 divided into 2,951,076,930 New Shares of par value HK\$0.01 each.

Based on the 2,951,076,930 Existing Shares currently in issue, a credit of HK\$265,596,923.70 will arise from the Capital Reduction and will be applied to set-off the accumulated losses of the Company as of the effective date of the Capital Reduction with the balance (if any) to be transferred to the contributed surplus account of the Company where it may be utilized in accordance with the bye-laws of the Company and all applicable laws. The accumulated losses of the Company stood at approximately HK\$183.33 million as at 31 March 2008.

The Directors consider that, other than the expenses relating to the Capital Reorganisation, implementation of the Capital Reorganisation will not, of itself, affect the underlying assets, liabilities, business operations, management operations and financial position of the Company, or the interests or rights of the Shareholders. The Board believes that the Capital Reorganisation will not have any adverse effect on the financial position of the Group.

Set out below is a table illustrating the information in respect of the authorised share capital, issued share capital, accumulated losses and contributed surplus account of the Company before and after the Capital Reorganisation based on the audited accumulated losses and contributed surplus account of the Company for the year ended 31 March 2008 and assuming there will be no change to the issued share capital of the Company from the date of this announcement to the effective date of the Capital Reorganisation:

	Authorised share capital	Issued share capital	Accumulated losses	Contributed surplus account
Before Capital Reorganisation	HK\$1,000,000,000 divided into 10,000,000,000 Existing Shares of par value HK\$0.10 each	HK\$295,107,693 divided into 2,951,076,930 Existing Shares of par value HK\$0.10 each	HK\$183,332,000	HK\$60,733,000
After Capital Reorganisation	HK\$100,000,000 divided into 10,000,000,000 New Shares of par value HK\$0.01 each	HK\$29,510,769.30 divided into 2,951,076,930 New Shares of par value HK\$0.01 each	–	HK\$142,997,923

Conditions of the Capital Reorganisation

The Capital Reorganisation is subject to the following conditions:

- (i) the passing of the necessary resolution(s) by the Shareholders to approve the Capital Reorganisation at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares; and
- (iii) publication of a notice in relation to the Capital Reorganisation in an appointed newspaper in Bermuda in accordance with the Companies Act 1981 of Bermuda.

The Capital Reorganisation will become effective on the 5th business day immediately after all the above conditions have been duly fulfilled. The expected date of the Capital Reorganisation to become effective is 30 December 2008. Further announcement will be made by the Company once all the above conditions have been duly fulfilled and the Company will announce the first day of trading in the New Shares well in advance.

Reasons for the Capital Reorganisation

Since the Shares have recently been trading at below their nominal value and the Company is not permitted under the laws of Bermuda to issue new Shares below their nominal value, the Board believes that the Capital Reorganisation will give greater flexibility to the Company to raise funds through the issue of new Shares in the future should the market price of the Shares still remain below their current nominal value. The Existing Shares of nominal value HK\$0.10 each represents:

- (i) an approximately 53.85% premium over the closing price of HK\$0.0650 per Existing Share on 18 November 2008 (being the last trading day for the Existing Shares prior to the date of this announcement);
- (ii) an approximately 52.44% premium over the average of closing prices of the Existing Shares of HK\$0.0656 as quoted on the Stock Exchange for the 10 trading days up to and including 18 November 2008 (being the last trading day for the Existing Shares prior to the date of this announcement); and
- (iii) an approximately 47.71% premium over the average of closing prices of the Existing Shares of HK\$0.0677 as quoted on the Stock Exchange for the 30 trading days up to and including 18 November 2008 (being the last trading day for the Existing Shares prior to the date of this announcement).

In addition, the Company can apply the credit arising from the Capital Reduction to offset the accumulated losses of the Company. As advised by the Bermuda counsel to the Company, no amendment to the bye-laws of the Company is required regarding the Capital Reorganisation. Therefore, the Board considers that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

APPLICATION FOR LISTING OF THE NEW SHARES

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the New Shares to be issued forthwith upon the Capital Reorganisation becoming effective.

PROPOSED CHANGE OF BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares from 2,000 Shares to 40,000 Shares with effect from 3 December 2008 to ensure that the market value per board lot would be more than HK\$2,000.

The reason for the change in board lot size is to increase the value of each board lot of the Shares to ensure that the market value per board lot would be more than HK\$2,000 and reduce the registration and other handling charges incurred by the Shareholders and investors of the Company. The Board is of the opinion that the change in board lot size is in the interests of the Company and the Shareholders as a whole. The change in board lot size will not result in any change in the relative rights of the Shareholders.

Odd lot arrangements

In order to alleviate the difficulties in trading of odd lots of the Shares as a result of the change in board lot size of the Shares, Hantec International Finance Group Limited has been appointed as an agent to provide matching services to those Shareholders who wish to top up or sell their holdings of odd lots of the Shares for a period of one month commencing from the effective day of the change of board lot size of the Company (currently expected to be on 3 December 2008). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top-up their odd lots to a full new board lot may directly or through their broker contact Mr. Leung Siu Wa of Hantec International Finance Group Limited at 45/F., COSCO Tower, 183 Queen's Road Central, Hong Kong (telephone: (852) 2235 7801) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

The appointed agent, Hantec International Finance Group Limited is an independent third party not connected with any of the Directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined under the Listing Rules).

All existing share certificates in board lots of 2,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing shareholdings will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 2,000 Shares to new share certificates in board lot size of 40,000 Shares. As from the effective day of the change of board lot size of the Company, any new certificate of the Shares will be issued in new board lot size of

40,000 Shares (except for odd lots of where the Shareholders otherwise instruct). Should any Shareholders at any time on or after the effective date of the change of board lot size of the Company, desire to exchange their existing share certificates in board lot of 2,000 Shares for share certificate in board lot of 40,000 Shares, they may do so on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new certificate to be issued or each old certificate submitted, whichever number of certificates is higher.

GENERAL

An SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the proposed change of Company name and the Capital Reorganisation. As no Shareholder has any material interest in the proposed change of Company name and the Capital Reorganisation, no Shareholder is required to abstain from voting in respect of the proposed resolutions to approve the proposed change of Company name or the Capital Reorganisation at the SGM. A circular containing, among other things, details of the proposed change of Company name and the proposed Capital Reorganisation together with a notice convening the SGM will be sent to the Shareholders as soon as practicable.

TERMS USED IN THE ANNOUNCEMENT

In this announcement, the following terms have the following meanings:

“associate(s)”	has the meaning ascribed to it in the definition of the Listing Rules
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the par value of each issued Existing Share from HK\$0.10 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.09 on each Existing Share
“Capital Reorganisation”	the proposed share capital reorganisation as more fully set out under the section headed “Proposed Capital Reorganisation” in this announcement
“Company”	Magnesium Resources Corporation of China Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Diminution of Authorised Share Capital”	the proposed diminution of authorised share capital of the Company to HK\$100,000,000 divided into 10,000,000,000 Shares of par value HK\$0.01 each

“Director(s)”	director(s) of the Company
“Existing Shares”	ordinary shares of HK\$0.10 each in the existing issued share capital of the Company prior to the Capital Reduction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“SGM”	the special general meeting of the Company to be convened to approve the Capital Reorganisation
“Share(s)”	the Existing Shares prior to, or the New Shares after, the Capital Reorganisation becoming effective (as the case may be)
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Magnesium Resources Corporation of China Limited
Teoh Tean Chai, Anthony
Executive Director

Hong Kong, 19 November 2008

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Teoh Tean Chai, Anthony

Ms. Chung Oi Ling, Stella

Independent non-executive Directors:

Mr. Lo Chi Ho, William

Mr. Chu Kin Wang, Peleus

Ms. Lau Wa Chun

* *For identification purpose only*