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中國基礎資源控股有限公司

CHINA PRIMARY RESOURCES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8117)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board of the Company wishes to inform the shareholders of the Company and potential investors that according to the unaudited financial statements of the Group for the year 2008, it is expected that the financial performance of the Group for the year 2008 will be adversely affected. This is mainly due to potential provisions for impairment losses on the fair values of the mining rights of the Group. The Board has recently reassessed the fair values of the mining rights of the Group and noted that the fair values have decreased for approximate 50%. Such decreases in fair values are results of significant drop in prices of iron, silver and other metals since 2008.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board of directors (the “**Board**”) of China Primary Resources Holdings Limited (the “**Company**”) wishes to inform the shareholders of the Company and potential investors that according to the unaudited financial statements of the Company and its subsidiaries (the “**Group**”) for the year 2008, it is expected that the financial performance of the Group for the year 2008 will be adversely affected. This is mainly due to potential provisions for impairment losses on the fair values of the mining rights of the Group. The Board has recently reassessed the fair values of the mining rights of the Group and noted that the fair values have decreased for approximate 50%. Such decreases in fair values are results of significant drop in prices of iron, silver and other metals since 2008.

Further details of the Company’s financial performance will be disclosed when the Company’s final results for the year ended 31 December 2008 are announced.

The Board believes that the financial position of the Group remains solid and that the Group is able to face the difficulties arose from the financial tsunami.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
China Primary Resources Holdings Limited
Ma Zheng
Chairman

Hong Kong, 25 February 2009

As at the date of this announcement, the Board comprises Ms. MA Zheng and Mr. WONG Pui Yiu who are the executive directors, and Mr. WAN Tze Fan Terence, Mr. LIU Weichang and Mr. CHUNG Chin Keung who are the independent non-executive directors.

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s designated website at <http://china-p-res.etnet.com.hk>.