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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 AND PRICE SENSITIVE INFORMATION

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

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record further impairment loss on the Beneficial Interest for the year ended 31 December 2009. The information contained in this announcement is only based on the preliminary review on the management accounts of the Group for the year ended 31 December 2009 and the information currently available to the Group, which have not been reviewed or audited by the Company's auditors.

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

This announcement is made by China Primary Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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**”). Reference is made to the profit warning announcement made by the Group dated 9 February 2010 (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specifies.

Further to the release of the Announcement, the Board wishes to inform the Shareholders and potential investors that the Group is expected to record further impairment loss on the Beneficial Interest for the year ended 31 December 2009. The Board was notified by the management of Xin Shougang Zi Yuan Holdings Limited (“**Xin Shougang**”) today that they have been informed by the Yichang City Government that the mining rights for the mining sites with mineral resources other than iron, which include silver vanadium and manganese, at or near Yichang City, Hubei Province, the PRC, will not be granted to Xin Shougang due to Xin Shougang's delay in development of the aforesaid mining sites. In the circumstances, the fair value of the Beneficial Interest shall be further diminished. Therefore, the Board has further reassessed the fair value of the Beneficial Interest as at 31 December 2009 and has come to the preliminary view that the fair value of the Beneficial Interest may reduce further by, on top of the estimated more than 60% as disclosed in the Announcement, another 10% of its carrying value, subject to the finalisation of the works for the purpose of issuing the 2009 annual report. As a result, a significant impairment loss will be recorded by the Group. The actual amount of impairment loss will be disclosed in the annual results announcement in due course.

The Board wishes to draw the Shareholders' attention that the impairment loss mentioned above is of non-cash nature, there will not be material adverse effect on the Group's cash flows.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the management accounts of the Group for the year ended 31 December 2009 and the information currently available to the Group, which have not been reviewed or audited by the Company's auditors. As such, the audited results of the Group may differ from the information disclosed in the Announcement and this announcement. The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2009. The final financial results and position of the Group for the year ended 31 December 2009 will be ascertained when all relevant results are finalised. Such annual results announcement is expected to be released on 24 March 2010.

Shareholders 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, 15 March 2010

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>.