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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 wishes to inform the Shareholders and potential investors that the Group is expected to record a significant decrease in turnover for the three months ended 31 March 2012 when compared to the correspondence period in 2011. However, although the Group is expected to continue to record net loss for the three months ended 31 March 2012, the net loss is not expected to be significantly increased due to increase in other income and effective control of other operation expenses. The information contained in this announcement is only based on the preliminary review on the management accounts of the Group for the three months ended 31 March 2012.

**Shareholders and potential investors should exercise caution when dealing in the shares**

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**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a significant decrease in turnover for the three months ended 31 March 2012 when compared to the correspondence period in 2011. Turnover for the three months ended 31 March 2012 was approximately HK\$7,573,000, represented an approximately 81% decrease when compared to approximately HK\$39,834,000 for the same period in 2011. The turnover of the Group represents the sale of Polyethylene Pipes (“**PE Pipes**”) and composite materials. The Board believes the significant decrease in turnover was mainly due to (i) the unstable global economic environment; (ii) slow down the development of the property market in China which directly affect the construction sector which in turn affect the demand of PE Pipes; and (iii) there are still psychological effect on some customers after the completion of the mandatory cash offer exercise in 2011. However, although the Group is expected to continue to record net loss for the three months ended 31 March 2012, the net loss is not expected to be significantly increased due to increase in other income and effective control of other operation expenses.

The Board wishes to draw the Shareholders' attention that the significant decrease in turnover described above will not have material adverse effect on the Group's cash flows.

The information contained in this announcement is only based on the preliminary review on the management accounts of the Group for the three months ended 31 March 2012. The Company is still in the process of finalising the result of the Group for the three months ended 31 March 2012. Finalised first quarterly results of the Group is expected to be released on 8 May 2012.

**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, 2 May 2012

*As at the date of this announcement, the Board comprises Ms. MA Zheng, Mr. WONG Pui Yiu and Mr. LIU Weichang who are the executive directors, and Mr. WAN Tze Fan Terence, Mr. CHUNG Chin Keung and Mr. WANG Xiao Bing 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*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>.*