中國貴金屬資源控股有限公司

CHINA PRECIOUS METAL RESOURCES HOLDINGS CO., LTD

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1194

INTERIM REPORT 2009

CPM

CONTENTS

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009 — unaudited

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
	Note	**2009** **$'000**	2008 $'000
Turnover	3	**41,355**	70,993
Cost of sales		**(41,067)**	(66,411)
Gross profit		**288**	4,582
Other revenue		**434**	3,112
Other net loss		**(10)**	(79)
Selling and distribution costs		**(2,596)**	(4,244)
Administrative expenses		**(7,160)**	(14,638)
Loss from operations		**(9,044)**	(11,267)
Finance costs	5(a)	**(3,997)**	(3,131)
Loss before taxation	5	**(13,041)**	(14,398)
Income tax	6	**—**	—
Loss for the period	15	**(13,041)**	(14,398)
Loss per share — basic and diluted	8	**(1.4) cents**	(1.8) cents

The notes on pages 8 to 28 form part of this interim financial report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009 — unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2009	2008
	$'000	$'000
Loss for the period	**(13,041)**	(14,398)
Other comprehensive income for the period (after tax adjustments)		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**(32)**	5,756
Total comprehensive income for the period	**(13,073)**	(8,642)

The notes on pages 8 to 28 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

At 30 June 2009 — unaudited
(Expressed in Hong Kong dollars)

	Note	At 30 June 2009 $'000	At 31 December 2008 $'000
Non-current assets			
Fixed assets	9		
— Property, plant and equipment		**40,325**	42,473
— Interests in leasehold land held for own use under operating leases		**11,103**	11,242
Deposits paid for acquisition of fixed assets		—	24
Construction in progress		**316**	316
Deposit for proposed acquisition of equity interests in gold mining rights	11	**46,500**	—
		98,244	54,055
Current assets			
Inventories		**5,933**	3,762
Trade and other receivables, deposits and prepayments	10	**23,327**	31,783
Deposit for proposed acquisition of equity interests in gold mining rights	11	—	46,500
Other deposits	12	**4,799**	10
Cash and cash equivalents		**15,161**	6,902
		49,220	88,957
Current liabilities			
Trade and other payables	13	**24,262**	28,414
Amount due to a related company	18(a)	—	109
Bank loans	14	**35,849**	37,025
		60,111	65,548
Net current (liabilities)/assets		**(10,891)**	23,409
Total assets less current liabilities		**87,353**	77,464

CONSOLIDATED BALANCE SHEET (CONTINUED)

At 30 June 2009 — unaudited

(Expressed in Hong Kong dollars)

	Note	At 30 June 2009 $'000	At 31 December 2008 $'000
Non-current liabilities			
Loan from a related company	18(b)	—	7,809
		—	7,809
NET ASSETS		**87,353**	69,655
CAPITAL AND RESERVES	15		
Share capital		**127,541**	117,500
Reserves		**(40,188)**	(47,845)
TOTAL EQUITY		**87,353**	69,655

The notes on pages 8 to 28 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009 — unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2009	2008
		$'000	$'000
Balance at 1 January		**69,655**	64,775
Changes in equity for the period:			
Issue of new shares	15	**30,866**	28,000
Transaction costs attributable to issue of new shares	15	**(130)**	(155)
Equity settled share-based transactions	15	**35**	6,926
Total comprehensive income for the period		**(13,073)**	(8,642)
Balance at 30 June		**87,353**	90,904

The notes on pages 8 to 28 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009 — unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2009	2008
	$'000	$'000
Cash used in operations	**(9,337)**	(25,354)
Tax paid	**—**	—
Net cash used in operating activities	**(9,337)**	(25,354)
Net cash used in investing activities	**(173)**	(1,094)
Net cash generated from financing activities	**17,806**	26,884
Net increase in cash and cash equivalents	**8,296**	436
Cash and cash equivalents at 1 January	**6,902**	18,968
Effect of foreign exchange rate changes	**(37)**	(1,562)
Cash and cash equivalents at 30 June	**15,161**	17,842

The notes on pages 8 to 28 form part of this interim financial report.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report of China Precious Metal Resources Holdings Co., Ltd. (the "Company") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance on 25 September 2009.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (collectively referred to as the "Group") since the 2008 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by the Audit Committee of the Company and by the independent auditor, CCIF CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA.

1 BASIS OF PREPARATION (CONTINUED)

In preparing the interim financial report, the directors have considered the future liquidity of the Group. The Group incurred a consolidated net loss for the six months ended 30 June 2009 attributable to the equity holders of the Company of $13,041,000 and had consolidated net current liabilities of $10,891,000 as at 30 June 2009 and, as set out in note II, the Group entered into a sale and purchase agreement with an independent third party, pursuant to which the Group will acquire the entire equity interests in Able Supplement Limited ("Able Supplement"), together with its subsidiaries, which holds mining rights for seven gold mines located in Chifeng, Inner Mongolia, the People's Republic of China for a consideration of $319,996,000. The Group has paid a deposit of $46,500,000 as at 30 June 2009. The transaction completed on 17 September 2009. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given that:

(i) the Group has been actively negotiating with its principal bankers to secure continual support;

(ii) the Group has been actively discussing with prospective investors, including the warrant holders to subscribe for 140,000,000 new ordinary shares of the Company at an exercise price of $0.36 per share during a period of two years commencing from 26 September 2008 under the warrant subscription agreement, as further detailed in note 15(c), to obtain new working capital;

(iii) the Company's substantial shareholder has agreed to provide financial support as is necessary to enable for the Group to meet its liabilities as they fall due; and

(iv) based on a cash flow forecast prepared by the Group's management for the twelve months ending 30 June 2010, the Group will be able to generate adequate cash flows from its continuing operations.

1 BASIS OF PREPARATION (CONTINUED)

Accordingly, the directors are of the opinion that it is appropriate to prepare the interim financial report for the six months ended 30 June 2009 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write-down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

HKFRS 8, Operating segments

HKAS 1 (revised 2007), Presentation of financial statements

Improvements to HKFRSs (2008)

Amendments to HKAS 27, Consolidated and separate financial statements — cost of an investment in a subsidiary, jointly controlled entity or associate

Amendments to HKFRS 7, Financial instruments: Disclosures — improving disclosures about financial instruments

HKAS 23 (revised 2007), Borrowing costs

Amendments to HKFRS 2, Share-based payment — vesting conditions and cancellations

The amendments to Improvements to HKFRSs (2008), HKAS 23 and HKFRS 2 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial report. The impact of the remainder of these developments on the interim financial report is as follows:

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

— HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's management and has resulted in additional reportable segments being identified and presented (see note 4). As it is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.

— As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

— The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009 all dividends receivable from subsidiaries, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the subsidiary will not be reduced unless that carrying amount is assessed to be impaired as a result of the subsidiary declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

3 TURNOVER

The Group is principally engaged in sale of small pack edible oils and trading of edible oils and related products in the PRC.

Turnover represents the sales value of edible oils to customers net of value added tax and surcharges.

Turnover recognised during the period is analysed as follows:

	Six months ended 30 June	
	2009	2008
	$'000	$'000
Sales of		
— Small pack edible oils	**35,218**	70,684
Trading of		
— Crude soyabean oil	**6,137**	309
	41,355	70,993

4 SEGMENT REPORTING

The Group manages its businesses by the operating subsidiaries in the People's Republic of China (the "PRC") which are engaged in the sale of small pack edible oils and trading of edible oils and related products in the PRC. On first-time adoption of HKFRS 8, Operating segments, and in a manner consistent with the way in which information is reported internally to the Group's management for the purposes of resource allocation and performance assessment, the Group has identified two reportable operating segments, (i) small pack edible oils; and (ii) trading of edible oils and related products. The Group's turnover and results from operations mainly derived from activities in the PRC. The principal assets of the Group are located in the PRC. Accordingly, no analysis by geographical segment is provided.

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in the interim financial report has been prepared in a manner consistent with the information used by the Group's management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, interests in leasehold land held for own use under operating leases and current assets with the exception of corporate assets. Segment liabilities include trade and other payables attributable to the operating activities of the segment and bank and related parties' borrowings managed directly by the segments with the exception of corporate liabilities.

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (CONTINUED)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "earnings/(loss) after taxation". To arrive at reportable segment profit/(loss), the Group's earnings/(loss) are further adjusted for items not specially attributed to individual segments, such as corporate administrative costs.

In addition to receiving segment information concerning earnings/(loss) after taxation, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the respective segments.

Information regarding the Group's reportable segments as provided to the Group's management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Small pack edible oils		Trading of edible oils and related products		Total	
For the six months ended	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Revenue from external customers	**35,218**	70,684	**6,137**	309	**41,355**	70,993
Inter-segment revenue	**—**	—	**—**	—	**—**	—
Reportable segment revenue	**35,218**	70,684	**6,137**	309	**41,355**	70,993
Reportable segment loss						
Loss after taxation	**(12,101)**	(9,238)	**(940)**	(5,160)	**(13,041)**	(14,398)
Reportable segment assets	**98,389**	92,933	**2,478**	3,482	**100,867**	96,415
Additions to non-current segment assets during the period	**154**	327	**19**	561	**173**	888
Reportable segment liabilities	**(54,114)**	(67,553)	**(5,997)**	(5,804)	**(60,111)**	(73,357)

4 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	Six months ended 30 June 2009 $'000	 2008 $'000
Revenue		
Reportable segment revenue	**41,355**	70,993
Elimination of inter-segment revenue	**—**	—
Consolidated turnover	**41,355**	70,993
Loss		
Reportable segment loss	**(13,041)**	(14,398)
Elimination of inter-segment profits	**—**	—
Reportable segment loss derived from the Group's external customers	**(13,041)**	(14,398)
Unallocated corporate expenses	**—**	—
Consolidated loss after taxation	**(13,041)**	(14,398)

	At 30 June 2009 $'000	At 31 December 2008 $'000
Assets		
Reportable segment assets	**100,867**	96,415
Unallocated corporate assets	**46,597**	46,597
Consolidated total assets	**147,464**	143,012

4 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (CONTINUED)

	At 30 June 2009 $'000	At 31 December 2008 $'000
Liabilities		
Reportable segment liabilities	**60,111**	73,357
Unallocated corporate liabilities	**—**	—
Consolidated total liabilities	**60,111**	73,357

(c) Seasonality of operations

The Group's operations are not subject to significant seasonality or cyclicality factors.

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

		Six months ended 30 June	
		2009	2008
		$'000	$'000
(a)	**Finance costs:**		
	Interest expense on bank advances and other borrowings wholly repayable within five years	**1,339**	2,653
	Interest on loan from a related company	**2,658**	478
		3,997	3,131
(b)	**Other items:**		
	Amortisation of land lease premium	**126**	124
	Depreciation	**2,272**	3,263
	Equity settled shared-based payment expenses	**35**	6,926
	Net fair value gain on derivative financial instruments	**(103)**	—
	(Reversal of)/impairment losses for trade receivables	**(240)**	8
	Operating lease charges in respect of properties	**541**	1,301
	Loss on disposal of fixed assets	**3**	—
	Written back of impairment losses for inventories	**—**	(85)

6 INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit subject to Hong Kong Profits Tax during the six months ended 30 June 2009 and 2008.

The PRC income tax has been calculated at the prevailing income tax rates under the relevant PRC income tax rules and regulations applicable to the subsidiaries. Certain subsidiaries were granted exemptions and relief from PRC income tax by the relevant local tax bureau. No provision for PRC income tax has been provided for the Group's subsidiaries in the PRC as they did not have any assessable profits or they had respective tax losses brought forward which exceeded the assessable profits during the six months ended 30 June 2009 and 2008.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

7 DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2009 and 2008.

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity holders of $13,041,000 (six months ended 30 June 2008: $14,398,000) and on the weighted average number of 964,609,000 ordinary shares in issue during the period (six months ended 30 June 2008: 821,547,000).

(b) Diluted loss per share

The calculation of diluted loss per share does not assume the exercise of the Company's share options as the exercises of the share options would result in a reduction in loss per share during the six months ended 30 June 2009 and 2008. Therefore, the diluted loss per share is same as basic loss per share during the six months ended 30 June 2009 and 2008.

9 FIXED ASSETS

(a) During the six months ended 30 June 2009, the Group acquired items of property, plant and equipment with a cost of $173,000 (six months ended 30 June 2008: $888,000). Items of property, plant and equipment with a net book value of $3,000 were disposed of during the six months ended 30 June 2009 (six months ended 30 June 2008: $50,000), resulting in a loss on disposal of $3,000 (six months ended 30 June 2008: $Nil).

(b) Interests in leasehold land held for own use under operating leases and buildings held for own use carried at cost are pledged to banks for certain banking facilities granted to the Group as disclosed in note 14.

10 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in trade and other receivables, deposits and prepayments are debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis:

	Note	At 30 June 2009 $'000	At 31 December 2008 $'000
Current		**2,432**	5,642
Less than one month past due		**4,002**	9,163
More than one months but less than three months past due		**424**	1,878
More than three months but less than twelve months past due		**151**	1,181
More than one year		**191**	—
Amounts past due		**4,768**	12,222
Total debtors and bills receivable, net of allowance for doubtful debts	(a)	**7,200**	17,864
Deposits, prepayments and other receivables		**15,089**	13,171
Prepayments for purchases of raw materials		**1,038**	748
		23,327	31,783

Notes:

(a) Credit evaluations are performed on all customers requiring credit over a certain amount. The debtors are due within one month from the date of billing.

11 DEPOSIT FOR PROPOSED ACQUISITION OF EQUITY INTERESTS IN GOLD MINING RIGHTS

On 23 September 2008, China Precious Metal Resources Co., Limited ("CPMR"), a wholly owned subsidiary of the Company, entered into a conditional letter of intent with Harmonie Developments Limited (the "Seller"), an independent third party, pursuant to which the Group will acquire the entire equity interests in Able Supplement, a wholly owned subsidiary of the Seller, together with its subsidiaries, which holds mining rights for seven gold mines located in Chifeng, Inner Mongolia, the PRC, subject to terms and consideration to be agreed and results of the due diligences conducted by the Group. The Group has paid a deposit of $46,500,000 to the Seller and entered into a share mortgage agreement with Able Supplement, pursuant to which Able Supplement has pledged the entire equity interest in its wholly owned subsidiary, Hongkong Realking Mining Industry Limited, which holds mining rights for seven gold mines, as collateral of the deposit paid by the Group. On 28 June 2009, CPMR and the Seller entered into a sale and purchase agreement, pursuant to which the Seller agreed to dispose of and CPMR agreed to purchase the entire equity interests in Able Supplement for a consideration of $319,996,000, which will be satisfied by cash of $50,500,000, 175,000,000 new ordinary shares of the Company of $0.125 each at an issue price of $0.5635 per share and convertible bonds in the principal amount of $170,884,000. The acquisition transaction completed on 17 September 2009, as further detailed in note 20(b).

12 OTHER DEPOSITS

The Group has placed deposits of $4,799,000 (31 December 2008: $10,000) with independent futures trading agents for commodity derivative contracts entered into in the normal course of business primarily to protect the Group from the impact of price fluctuations in oil commodities.

At 30 June 2009, the Group's other deposits of $1,088,000 (31 December 2008: $Nil) were pledged for the outstanding commodity derivative contracts, as further detailed in note 16.

13 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors and bills payables with the following ageing analysis:

	Note	At 30 June 2009 $'000	At 31 December 2008 $'000
Within three months		**604**	1,231
More than three months but less than six months		**539**	55
More than six months but less than one year		**42**	—
After one year		**8,371**	8,564
Trade creditors and bills payable		**9,556**	9,850
Derivative financial instruments (note 16)		**148**	—
Accrued charges and other payables		**14,272**	17,196
Receipts in advance		**286**	1,368
		24,262	28,414

14 BANK LOANS

At 30 June 2009, the bank loans were repayable within one year or on demand and analysed as follows:

	At 30 June 2009			At 31 December 2008		
	Book value of pledged assets $'000	Book value of Interest rate %	Bank loans $'000	pledged assets $'000	Interest rate %	Bank loans $'000
Bank loans secured by						
Fixed assets (note 9(b))	**31,597**	**6.32-6.90**	**35,849**	32,368	6.66-9.71	37,025

15 CAPITAL AND RESERVES

	Share capital $'000	Share premium $'000	Statutory reserves $'000	Warrants reserve $'000 (note (c))	Capital reserve $'000	Exchange reserve $'000	Accumulated losses $'000	Total $'000
At 1 January 2008	100,000	267,223	15,924	—	20,457	4,123	(342,952)	64,775
Changes in equity for six months ended 30 June 2008:								
Issue of new shares	12,500	15,500	—	—	—	—	—	28,000
Transaction costs attributable to issue of new shares	—	(155)	—	—	—	—	—	(155)
Equity settled share-based transactions								
— Amount recognised during the period	—	—	—	—	6,926	—	—	6,926
Total comprehensive income for the period	—	—	—	—	—	5,756	(14,398)	(8,642)
At 30 June 2008	112,500	282,568	15,924	—	27,383	9,879	(357,350)	90,904
At 1 January 2009	**117,500**	**290,040**	**15,924**	**1,400**	**11,517**	**7,685**	**(374,411)**	**69,655**
Changes in equity for six months ended 30 June 2009:								
Issue of new shares (note (a))	**10,041**	**20,825**	**—**	**—**	**—**	**—**	**—**	**30,866**
Transaction costs attributable to issue of new shares	**—**	**(130)**	**—**	**—**	**—**	**—**	**—**	**(130)**
Equity settled share-based transactions								
— Amount recognised during the period (note (b))	**—**	**—**	**—**	**—**	**35**	**—**	**—**	**35**
— Forfeiture of share options	**—**	**—**	**—**	**—**	**(140)**	**—**	**140**	**—**
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**—**	**(32)**	**(13,041)**	**(13,073)**
At 30 June 2009	**127,541**	**310,735**	**15,924**	**1,400**	**11,412**	**7,653**	**(387,312)**	**87,353**

15 CAPITAL AND RESERVES (CONTINUED)

Notes:

(a) On 31 March 2009, the Company issued and allotted 30,330,000 ordinary shares of $0.125 each at the issue price of $0.350 each. These shares rank pari passu in all respects with existing shares in issue.

On 27 May 2009, the Company issued and allotted 50,000,000 ordinary shares of $0.125 each at the issue price of $0.405 each. These shares rank pari passu in all respects with other shares in issue.

(b) During the period, the Group recognised the fair value of the share options granted under share option scheme in equity settled share-based payment expenses and the reserve of the Group of $35,000 (six months ended 30 June 2008: $6,926,000).

(c) Warrants

On 26 September 2008, the Company entered into a warrant subscription agreement with three independent parties (the "Subscribers") pursuant to which the Subscribers agreed to subscribe 140,000,000 warrants at the issue price of $0.01 per each warrant. Each warrant holder is entitled the right to subscribe for one new ordinary share of the Company at an exercise price of $0.36 per share for a period of two years commencing from the date of the warrants issued.

During the six months ended 30 June 2009, no new share was issued on the warrants.

16 DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 June 2009 $'000	At 31 December 2008 $'000
Commodity futures contracts		
— current liabilities (note 13)	148	—

During the six months ended 30 June 2009, the Group entered into commodity futures contracts to protect the Group from the impact of price fluctuations in oil commodities and recognised net fair value gain on commodity futures contracts of $103,000 (2008: $Nil) in the income statement.

17 COMMITMENTS

(a) The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2009 $'000	At 31 December 2008 $'000
Within 1 year	1,032	175
After 1 year but within 5 years	457	25
After 5 years	—	—
	1,489	200

Significant leasing arrangements in respect of land and buildings classified as being held under finance leases and land held under operating leases are described in note 9. Apart from these leases, the Group is the lessee in respect of a number of properties for an initial period of one to five years. None of the leases includes contingent rentals.

18 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2009, transactions with the following party is considered as related party transactions:

Name of party	Relationship
江蘇正豐油脂倉儲有限公司 Jiangsu Zheng Feng Oils and Fats Storage Co., Ltd. ("Jiangsu Zheng Feng Oils")	Mr Lam Cham (note 1)

Note:

(1) Mr Lam Cham is an executive director of the Company and legal representative of Jiangsu Zheng Feng Oils .

Particulars of significant transactions between the Group and related party during the period are as follows:

(a) Amount due to a related company

	At 30 June 2009 $'000	At 31 December 2008 $'000
Jiangsu Zheng Feng Oils	—	109

Amount due to a related company is unsecured, interest free and repayable within one year.

18 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loan from a related company

The loan is unsecured and repayable on 31 August 2012. During the six months ended 30 June 2009, the Group settled the entire loan.

	At 30 June 2009 $'000	At 31 December 2008 $'000
Jiangsu Zheng Feng Oils	—	7,809

The fair value of the loan at 31 December 2008 was based on cash flows discounted at a rate of 8.32%, which was determined by reference to the relevant borrowing rate of the People's Bank of China plus appropriate credit rating.

(c) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors, is as follows:

	Six months ended 30 June	
	2009 $'000	2008 $'000
Short-term employee benefits	2,083	2,078
Post-employment benefits	84	56
Equity compensation benefits	32	1,634
	2,199	3,768

19 LITIGATION

(a) In December 2006, a PRC independent third party filed a claim at the First Intermediate People's Court of Shanghai City (上海市第一中級人民法院) against a subsidiary of the Group in connection with a delayed shipment under a sales contract entered into between the PRC independent third party and the subsidiary. The claim consisted of a discount on original sales value requested by the PRC independent third party of $280,000, and related port charges arose from the delayed shipment of $84,000. A provision of $364,000 was included in trade and other payables in the consolidated balance sheet at 30 June 2009.

Based on the available information to date, the directors are of the opinion that other than the agreed discount on original sales value, no further provision for legal claim is considered necessary.

(b) On 13 January 2009, a PRC independent third party filed a claim in a court in Tianjin, the PRC ("天津經濟開發區人民法院") against a PRC subsidiary of the Group in connection with a claim against the subsidiary for a payable of construction of plant and machinery $517,000 (equivalent to RMB455,000) plus overdue interest. The subsidiary filed a counterclaim against the plaintiff. A provision of $517,000 was included in other payables in the consolidated balance sheet as at 30 June 2009.

Based on the available information to date, the directors are of the opinion that no further provision for legal claim is considered necessary.

(c) In April 2009, two PRC independent parties filed a claim at the Intermediate People's Court of Zhenjiang City ("鎮江市中級人民法院") against two PRC subsidiaries of the Group in relation to a project cooperation contract and claimed the damage of $2,146,000 (equivalent to RMB1,892,000). The Group filed a counterclaim against the PRC independent parties. The court judged that the Group shall be entitled a compensation from the PRC parties of $1,475,000 (equivalent to RMB1,300,000) on 7 September 2009 (note 20(c)).

20 POST BALANCE SHEET EVENTS

(a) On 10 September 2009, options were exercised for 1,500,000 ordinary shares of the Company of $0.125 each at an exercise price of $0.35 per share.

(b) On 17 September 2009, the acquisition transaction of the entire equity interests in Able Supplement completed. On 22 September 2009, the Company issued and allotted 175,000,000 ordinary shares of $0.125 each at an issue price of $0.5635 per share as part of the consideration for the acquisition, as further detailed in note II.

(c) On 7 September 2009, a court order was granted in favour of the Group for compensation of $1,475,000 under a litigation, as further detailed in note 19(c).

21 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDING 31 DECEMBER 2009

Up to the date of issue of this interim financial report, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective of the annual accounting period ending 31 December 2009:

	Effective for accounting periods beginning on or after
HKFRS 3 (Revised), Business combination	1 July 2009
Amendments to HKAS 27, Consolidated and separate financial statements	1 July 2009
Amendments to HKAS 39, Financial instruments: Recognition and measurement — Eligible hedged items	1 July 2009
HK(IFRIC) 17, Discontinued of non-cash assets to owners	1 July 2009
Improvements to HKFRSs 2009	1 July 2009 or 1 January 2010

The above amendments, new standards and interpretations were not applied in this interim financial report because the directors expect that the Group will not early apply them when preparing the Group's annual financial statements for the year ending 31 December 2009.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretation is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

22 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 30 June 2009, the directors consider the immediate parent and ultimate controlling party of the Group to be Aswell Group Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

23 COMPARATIVE FIGURES

As a result of the application of "HKAS 1 (revised 2007), Presentation of financial statements", and "HKFRS 8, Operating segments", certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 2.

CCIF
CCIF CPA LIMITED
20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong

INDEPENDENT AUDITOR'S REVIEW REPORT

To the board of directors of
China Precious Metal Resources Holdings Co., Ltd.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 2 to 28, which comprises the consolidated balance sheet of China Precious Metal Resources Holdings Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2009 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2009 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting".

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 1 to the interim financial report which indicates that the Group incurred a consolidated net loss attributable to the equity holders of the Company of HK$13,041,000 for the six months ended 30 June 2009 and had consolidated net current liabilities of HK$10,891,000 as at 30 June 2009 and, as set out in note 11, the Group entered into a sale and purchase agreement with an independent third party, pursuant to which the Group will acquire the entire equity interests in Able Supplement Limited ("Able Supplement"), together with its subsidiaries, which holds mining rights for seven gold mines located in Chifeng, Inner Mongolia, the People's Republic of China for a consideration of HK$319,996,000. The Group has paid a deposit of HK$46,500,000 as at 30 June 2009. The transaction completed on 17 September 2009. The interim financial report has been prepared on a going concern basis, the validity of which is dependent on the ability to attain a profitable gold mining operation in the future, the continual financial support from its principal bankers and the substantial shareholder in order to finance the Group's future working capital and financial requirements, and the Group's ability to obtain new working capital from the prospective investors (including the holders of 140,000,000 warrants to subscribe for 140,000,000 new ordinary shares of the Company at an exercise price of HK$0.36 per share as further detailed in note 15(c) to the financial statements) and to generate adequate cash flows from its continuing operations in the foreseeable future. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The interim financial report does not include any adjustments that would result from a failure to obtain such working capital. We consider that appropriate disclosures have been made.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 25 September 2009

Leung Chun Wa
Practising Certificate Number P04963

INTERIM DIVIDEND

The Directors do not declare the payment of an interim dividend (2008: Nil) in respect of the six months ended 30 June 2009.

MANAGEMENT' DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Group results

For the six months ended 30 June 2009, the Group's turnover was approximately HK$41,355,000 (2008: HK$70,993,000). Loss attributable to shareholders of the Company was approximately HK$13,041,000 (2008: HK$14,398,000). Loss per share amounted to HK1.4 cents (2008: HK1.8 cents).

Selling and distribution costs

During the period under review, the Group's selling and distribution costs amounted to approximately HK$2,596,000 (2008: HK$4,244,000), representing a decrease of approximately 38.8% over the same period last year. The decrease was resulted from the decrease in sales and the tighter control by management over the budget of the expenses.

Administrative expenses

Administrative expenses decreased to approximately HK$7,160,000 (2008: HK$14,638,000), representing a decrease of 51.1% as compared with the same period last year. This was mainly due to the decrease in equity settled share-based payment expenses to HK$35,000 (2008: HK$6,926,000) in relation to the share options granted to directors, employees and professional consultants working for the Group.

Finance costs

The Group's finance costs for the period under review amounted to approximately HK$3,997,000 (2008: HK$3,131,000). The increase in finance costs was mainly due to the increase of the amortised interest expenses on the fair values of loan from a related company.

Liquidity and financial resources

As at 30 June 2009, the Group's cash and bank deposits were HK$15,161,000 (31 December 2008: HK$6,902,000), its net current liabilities and net assets were HK$10,891,000 (31 December 2008: net current assets of HK$23,409,000) and HK$87,353,000 (31 December 2008: HK$69,655,000) respectively.

As at 30 June 2009, the Group had total available banking facilities amounted to HK$38,685,000 of which HK$35,849,000 has been utilised as at that date. The Directors are of the opinion that the Group will be able to finance its future working capital and financial requirements given the measures taken by the Company's management to address the conditions as set out in note 1 of this interim financial report.

Foreign currency exposure

As the Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars, Renminbi and United States dollars, its exposure to exchange rate risk is considered limited.

Capital structure

The Company issued and allotted 30,330,000 ordinary shares at the issue price of HK$0.35 per share on 31 March 2009 to Aswell Group Limited according to the placing agreements, subscription agreement and supplemental agreement entered on 18 March 2009 and 27 March 2009 respectively.

The Company issued and allotted 50,000,000 ordinary shares at the price of HK$0.405 per share on 27 May 2009 to Mr. Zhou Wan Yuan according to the subscription agreement entered on 20 May 2009.

As at 30 June 2009, the Group's net assets was approximately HK$87,353,000 (31 December 2008: HK$69,655,000) and its net debts (total bank and other borrowings less bank deposits) were HK$20,688,000 (31 December 2008: HK$37,932,000). Based on the above, the Group's net gearing ratio was approximately 23.7% (31 December 2008: 54.5%).

Segment information

Details of segment information of the Group as at 30 June 2009 are set out in note 4 of this interim financial report.

Post balance sheet events

Details of significant events occurring after the balance sheet date are set out in note 20 of this interim financial report.

OPERATIONAL REVIEW

Small pack oil business

During the first half of 2009, the prices of edible oil in Mainland China had seen exceptional fluctuations. Coupled with the impact of the global financial tsunami, market demand declined further, sweeping away all our expectation of a business growth in the first half of the year. The Group further adjusted its business strategies based on risk management principles: retaining customers that will bring profits to the Company; further implementation of appropriate control of capital injection and minimising the scale of the pack oil business, maintaining the existing sales channels and customer relations to the greatest extent through flexible small and frequent volume sales method, and using advanced and efficient production equipment to develop the risk free processing business for the customers. For the six months ended 30 June 2009, the sales of the Group's small pack oil business amounted to approximately HK$35,218,000 (2008: HK$70,684,000). With regard to profitability, the gross profit of small pack oil business was HK$413,000 (2008: HK$4,566,000).

PROSPECTS

During the first half of 2009, confronting the dreadful economic environment resulted from the global tsunami, the management of the Group strived to expedite the transformation of our core business in line with the Company's existing development strategies. On 28 June 2009, the Group entered into a formal agreement with Harmonie Developments Limited to acquire its gold mining rights in Inner Mongolia, the PRC and the mining and mineral selection businesses. The acquisition, which was completed on 17 September 2009, allows the transformation of the Group's core business to the holding of gold mines and the mining and selection of gold ores, and signifies the stepping into a new stage of development for the Group, bringing stellar returns to the investments of the shareholders.

In the future, the Group will focus on the development of its gold mining and selection business. To implement such development strategy, the management of the Group has planned to acquire bigger gold mines with higher quality. The management believes that a gradual recovery of the global economy is on the horizon and the price of gold will remain stable for a relatively longer period. The development of the Group's gold business will mature as experience accumulates, the outcome of which is fervently expected.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES

As at 30 June 2009, the interests of the Directors and chief executives in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**"), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") to be notified to the Company and the Stock Exchange were as follows:—

Long positions in the Shares

Name of Directors	Nature of interest and capacity	Total number of the Shares	Approximate percentage of interest
Mr. LIM Wa	Corporate (a)	368,530,000	36.12%
Mr. CHANG Yim Yang	Corporate (b)	100,000,000	9.80%
Mr. LAM Cham	Personal	200,000	0.02%

(a) Aswell Group Limited ("**Aswell Group**") is wholly-owned by Mr. LIM Wa. Accordingly, Mr. LIM Wa is taken to be interested in the Shares held by Aswell Group.

(b) Lead Pride Holdings Limited ("**Lead Pride**") is wholly-owned by Mr. CHANG Yim Yang. Accordingly, Mr. CHANG Yim Yang is taken to be interested in the Shares held by Lead Pride.

All the interests stated above represented long positions. As at 30 June 2009, the Directors and chief executives had no short positions recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Save as disclosed above, as at 30 June 2009, none of the Directors or chief executive of the Company nor their associates, had any interest in long position or short position in the shares, underlying shares or debentures of the Company or its associated corporations which they are taken or deemed to have under such provision of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which required, pursuant to the Model Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed their full compliance with the required standard as set out in the Model Code during the six months ended 30 June 2009.

SHARE OPTIONS SCHEMES

A share option scheme (the "**Share Option Scheme**" and another share option scheme (the "**Pre-IPO Share Option Scheme**" were adopted pursuant to written resolutions of the Shareholders passed on 18 September 2004 for the primary purpose of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Directors and employees and for such purposes as the Board may approve from time to time. The principal terms of the Share Option Scheme and the Pre-IPO Share Option Scheme are set out in the annual report of the Company for the year ended 31 December 2008.

During the six months ended 30 June 2009, no options have been granted or exercised under the Pre-IPO Share Option Scheme. Details of the outstanding share options as at 30 June 2009 which were granted under the Pre-IPO Share Option Scheme are as follows:—

		Number of Option Shares			
	Date of grant	Outstanding at 31 December 2008	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2009
Other senior management staff and employees	18 September 2004	3,850,000	—	330,000	3,520,000
Total		3,850,000	—	330,000	3,520,000

During the six months ended 30 June 2009, no options have been granted or exercised under the Share Option Scheme. Details of the share options granted and remained outstanding as at 30 June 2009 under the Share Option Scheme are as follows:—

			Number of Option Shares		
	Date of grant	Outstanding at 31 December 2008	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2009
Mr LAM Cham	2 January 2008	7,200,000	—	—	7,200,000
Mr. Wong Lung Tak, Patrick, J. P.	2 January 2008	800,000	—	—	800,000
Mr Chan Kin Sang	2 January 2008	800,000	—	—	800,000
Mr Xiao Zhuo Ji	2 January 2008	800,000	—	—	800,000
Other senior management staff and employees	2 January 2008	17,570,000	—	—	17,570,000
Mr Lim Wa	20 March 2008	7,800,000	—	—	7,800,000
Other senior management staff and employees	20 March 2008	39,000,000	—	—	39,000,000
Financial consultants and project investment consultants	18 June 2008	33,200,000	—	—	33,200,000
Total		107,170,000	—	—	107,170,000

The share options granted are recognised in the interim financial report. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the binomial lattice model after taking into accounts the terms and conditions upon which the options were granted. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binominal lattice model.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2009, as far as known to the Directors, the following persons (other than the Directors or chief executives of the Company) who had 5% or more interests in the shares or underlying shares in respect of equity derivatives of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:—

Long position in the shares of the Company

Name of shareholders	Nature of interest and capacity	Total number of shares held	Approximate percentage of interest
Aswell Group	Corporate (Note 1)	368,530,000	36.12%
Lead Pride	Corporate (Note 2)	100,000,000	9.80%

Note 1: Aswell Group is a company incorporated in the British Virgin Islands with limited liability which is legally and beneficially owned as to 100% by Mr. LIM Wa.

Note 2: Lead Pride is a company incorporated in the British Virgin Islands with limited liability which is legally and beneficially owned as to 100% by Mr. CHANG Yim Yang.

Long position in the underlying shares of the Company

Name of Shareholders	Nature of interest and capacity	Total number of warrants held	Approximate percentage of interest
Alton Resources Limited	Corporate	80,000,000	7.84%

The interest stated above represented long positions. As at 30 June 2009, the substantial shareholders had no short positions recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2009, the Group employed approximately 61 employees in the PRC and Hong Kong (31 December 2008: 83 employees). All employees are remunerated according to their performance, experience and prevailing trade practices. Both on-the-job and professional training are provided as well. The Group provides retirement benefits, either in the form of the Mandatory Provident Fund Exempted ORSO or Mandatory Provident Fund entitlement, to employees in Hong Kong. A similar scheme is also maintained for employees in the PRC. Details concerning the retirement benefit schemes were set out in the 2008 Annual Report. The Group has implemented a share option scheme to reward eligible employees (including executive Directors) according to their individual performance.

AUDIT COMMITTEE

In accordance with the Code of Corporate Governance Practices in the Listing Rules, the Company has established the Audit Committee comprising all independent non-executive directors as members with written terms of reference. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters related to the preparation of the unaudited consolidated condensed interim accounts for the six months ended 30 June 2009.

CORPORATE GOVERNANCE

The Company has committed to maintaining a high standard of corporate governance and complied with the Code on Corporate Governance Practices (the "**Code**") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2009 except with deviations from the code provisions A.2.1.

Code provision A.2.1

Under code provision A.2.1, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

During the period under review, Mr. Lim Wa is the chairman and the chief executive officer of the Company. The Board considers that the intensive experience of Mr. Lim Wa in the edible oil industry is instrumental to the Group's operation and that it may not be in the best interest of the Group to separate the roles of the chairman and the chief executive officer. Nonetheless, the Group will review the relevant code provision from time to time and may comply with it if the Directors consider it appropriate to do so.

INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group to safeguard the shareholders' investment and the Company's assets. The Board, through the Audit Committee of the company, has conducted an annual review of the effectiveness of internal control system of the Group. The review covered all material controls including financial, operational and compliance controls and risk management functions.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of Shares by the Company or any of its subsidiaries during the period under review.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

An interim report for the six months ended 30 June 2009 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

DIRECTORS

As at the date of this report, the executive Directors are Mr Lim Wa, Mr Lam Cham, Mr. Chang Yim Yang and, the independent non-executive Directors are Professor Xiao Zhuo Ji, Dr Wong Lung Tak, Patrick, J.P. and Mr Chan Kin Sang. Mr Lim Wa is the Chairman and Chief Executive Officer of the Company.

By Order of the Board
China Precious Metal Resources Holdings Co., Ltd.
Lim Wa
Chairman

Hong Kong, 25 September 2009

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

LIM Wa
(Chairman and Chief Executive Officer)
LAM Cham *(Deputy Chief Executive Officer)*
CHANG Yim Yang

Independent Non-executive Directors

XIAO Zhuo Ji
WONG Lung Tak, Patrick, J.P.
CHAN Kin Sang

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

LAM Hiu Lai
(Financial Controller) (CPA, ACCA, MPA)

AUTHORISED REPRESENTATIVES

LIM Wa
LAM Cham

AUDIT COMMITTEE

WONG Lung Tak, Patrick, J.P. *(Chairman)*
XIAO Zhuo Ji
CHAN Kin Sang

REMUNERATION COMMITTEE

LIM Wa *(Chairman)*
WONG Lung Tak, Patrick, J.P.
CHAN Kin Sang

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Certified Public Accountants
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LEGAL ADVISERS

Angela Ho & Associates

PRINCIPAL BANKERS

In Hong Kong:
Standard Chartered Bank
Bank of China (Hong Kong) Limited

In the PRC:
Industrial & Commercial Bank of China Zhenjiang Branch
Bank of Communications Zhenjiang Branch
Bank of Communications Tianjin Economic and Technological Development Area Branch
Agricultural Bank of China Tianjin Port Free Trade Zone Branch
Industrial & Commercial Bank of China Tianjin Port Free Trade Zone Branch

WEBSITE OF THE COMPANY

http://cpm.etnet.com.hk