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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)

PROPOSED RIGHTS ISSUE IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD BY QUALIFYING SHAREHOLDERS ON THE RECORD DATE

PROPOSED RIGHTS ISSUE

The Board proposes to raise approximately HK\$50.7 million before expenses by issuing 241,440,492 Rights Shares at the Rights Issue Price of HK\$0.21 per Rights Share.

The Rights Issue is available only to the Qualifying Shareholders on the basis of the provisional allotment of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date.

The number of 241,440,492 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50% of the existing issued share capital of the Company and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

The Record Date is Friday, 9 May 2014. The last day of dealings in the Shares on cum-rights basis is Tuesday, 29 April 2014. The Shares will be dealt in on ex-rights basis from Wednesday, 30 April 2014. To qualify for the Rights Issue, Shareholders must be registered as a member of the Company on the Record Date and must not be Excluded Shareholders.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed. The Rights Issue is subject to the satisfaction of conditions as described under the section headed “Conditions of the Rights Issue” below.

In particular, it is subject to the Underwriter not exercising its right to terminate the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” below) on or before the Latest Time for Termination. Accordingly, the Rights Issue may or may not become unconditional and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

GENERAL

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus together with the Overseas Letter will be despatched to the Excluded Shareholders for information only.

PROPOSED RIGHTS ISSUE

The Board announces that the Rights Issue is proposed with the terms set out as follow:

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) Shares held by Qualifying Shareholders on the Record Date
Number of Shares in issue as at the date of this announcement:	482,880,984 Shares
Number of Rights Shares:	241,440,492 Rights Shares
Rights Issue Price:	HK\$0.21 per Rights Share
Enlarged issued share capital of the Company upon completion of the Rights Issue:	724,321,476 Shares
Number of Rights Shares undertaken to be taken by Ms. Ma:	Pursuant to the Underwriting Agreement, Ms. Ma has given the irrevocable Ms. Ma Undertaking in favour of the Company that, among others, (i) the 243,675,162 Shares registered in the name of and

beneficially owned by Ms. Ma will remain registered in the name of and beneficially owned by Ms. Ma before the date when the announcement of the results of the Rights Issue is published; (ii) Ms. Ma will accept her entitlements under the Rights Issue for an aggregate of 121,837,581 Rights Shares; and (iii) Ms. Ma will lodge the Provisional Allotment Letter in respect of the Rights Shares accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance

Number of Rights Shares underwritten by Ms. Ma:

119,602,911 Rights Shares, being the total number of the Rights Shares less the number of the Rights Shares to be taken up by Ms. Ma. The Rights Issue (other than the Rights Shares undertaken to be taken up by Ms. Ma under Ms. Ma Undertaking) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement

Fund raised before expenses:

approximately HK\$50.7 million

The number of 241,440,492 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50% of the existing issued share capital of the Company and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

As at the date of this announcement, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

Basis of provisional allotment

The basis of the provisional allotment will be one (1) Rights Share for every two (2) Shares in issue and held by a Qualifying Shareholder on the Record Date at the Rights Issue Price payable in full on acceptance or otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Rights Issue Price

The Rights Issue Price for the Rights Shares is HK\$0.21 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares, or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Rights Issue Price represents:

- (i) a discount of approximately 56.7% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 60.4% to the average closing price of approximately HK\$0.530 per Share for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 57.5% to the average closing price of approximately HK\$0.494 per Share for the 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 46.6% to the theoretical ex-rights price of approximately HK\$0.393 per Share based on the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 52.6% to the net assets value per Share of approximately HK\$0.443 based on the audited consolidated net assets value attributable to equity holders of the Company as at 31 December 2013.

The Rights Issue Price was determined based on arm's length negotiations between the Company and the Underwriter with reference to the recent closing prices of the Shares, the financial conditions of the Company and current market conditions. The Directors consider that under the Rights Issue, each Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company and that the discount of the Rights Issue Price will encourage the Shareholders to participate in the Rights Issue. The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Rights Issue Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders.

To qualify for the Rights Issue, the Shareholders must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (with the relevant share certificate(s)) with Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, the Registrars on or before 4:30 p.m. on Friday, 2 May 2014.

Closure of register of members

The register of members of the Company will be closed from Monday, 5 May 2014 to Friday, 9 May 2014, both dates inclusive. No transfers of Shares will be registered during this period.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of nil-paid Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit. Any unsold aggregate of fractions of nil-paid Rights Shares will be made available for excess application under the EAFs.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of nil-paid Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted, by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for.

The Board will allocate the excess Rights Shares being applied for at its discretion and on a fair and equitable basis and on the following principles:

- (1) subject to the availability of excess Rights Shares, preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings where it appears to the Directors that such applications are not made with the intention to abuse such mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. the Qualifying Shareholders applying for a smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for; whereas the Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they will receive a greater number of Rights Shares than those applying for a smaller number)), and with board lot allocations to be made on a best effort basis.

Any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. Investors whose Shares are held by a nominee (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, the Registrars on or before 4:30 p.m. on Friday, 2 May 2014 (the register of members of the Company will be closed from Monday, 5 May 2014 to Friday, 9 May 2014, both dates inclusive).

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

The Rights Shares (in nil-paid and fully-paid forms) will be traded in board lot of 10,000 Shares which is the same as the board lot size for trading in Shares on the Stock Exchange.

Application for listing of the Rights Shares on the Stock Exchange

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS operational procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 10,000), which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post to the Qualifying Shareholders and unsuccessful applicants who have accepted and applied for (where appropriate), and paid for the Rights Shares in accordance with the timetable at their own risk. Each Shareholder will receive one share certificate for all allotted Rights Shares.

Stamp duty

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

Rights of Overseas Shareholders

The Company shall immediately after the Latest Lodging Date but in any event before the Record Date make such enquiry regarding the legal restrictions, if any, under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where the Overseas Shareholders reside.

The Company shall, on or within two business days after the Prospectus Documents are posted to Shareholders in accordance with the Underwriting Agreement, post copies of the Prospectus and the Overseas letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue.

The Company shall provisionally allot the Rights Shares which represent the entitlements of the Excluded Shareholders, if any, to a nominee of the Company in nil-paid form and the Company shall procure that such nominee shall endeavour to sell the rights as soon as practicable after dealings in Nil-paid Rights commence and in any event before the Latest Time for Acceptance at a net premium (nil-paid). If and to the extent that such rights can be so sold, the nominee shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Excluded Shareholders shall be distributed pro rata (but rounded down to the nearest cent) to the Excluded Shareholders provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such Nil-paid Rights which are not sold as aforesaid will be dealt with as Rights Shares not accepted in accordance with the Underwriting Agreement.

UNDERWRITING ARRANGEMENTS

Undertakings

Ms. Ma, as the Underwriter, holds in aggregate 243,675,162 Shares, representing approximately 50.46% of the issued share capital of the Company as at the date of this announcement. As at the date of this announcement, the Underwriter has irrevocably undertaken to the Company that:

- (1) the 243,675,162 Shares registered in the name of and beneficially owned by the Underwriter will remain registered in the name of and beneficially owned by the Underwriter before the date when the announcement of the results of the Rights Issue is published;
- (2) the Underwriter will accept her entitlements under the Rights Issue for an aggregate of 121,837,581 Rights Shares; and
- (3) the Underwriter will lodge the Provisional Allotment Letter in respect of the Rights Shares referred to (2) above accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Underwriting Agreement

Date:	11 April 2014
Underwriter:	Ms. Ma
Number of Underwritten Shares:	119,602,911 Rights Shares, being the total number of the Rights Shares less the number of the Rights Shares to be taken up by Ms. Ma. The Rights Issue (other than the Rights Shares undertaken to be taken up by Ms. Ma under Ms. Ma Undertaking) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement
Commission:	No commission will be payable by the Company to the Underwriter under the Underwriting Agreement

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;
- (c) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than their respective first day of dealing;
- (d) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms at or before the Latest Time for Termination; and
- (e) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects.

The Company shall use all reasonable endeavours to procure the fulfillment of all the conditions set above by the Latest Time for Termination (or such other time and date as stipulated above) or such other date as the Company and the Underwriter may agree and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares.

The Company shall make an application to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in their nil-paid and fully-paid forms.

The conditions set above are incapable of being waived. If these conditions are not satisfied in whole or in part by the Company by the Latest Time for Termination (or such other time and date as stipulated above) or such other date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (7) any suspension in the trading of securities generally or the Company's securities on GEM for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement, the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

WARNING OF THE RISK OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed. The Rights Issue is subject to the satisfaction of conditions as described under the section headed "Conditions of the Rights Issue" above.

In particular, it is subject to the Underwriter not exercising its right to terminate the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” above) on or before the Latest Time for Termination. Accordingly, the Rights Issue may or may not become unconditional and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealings in the Shares and the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a summary of the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Rights Issue assuming full acceptance by the Shareholders under the Rights Issue; and (iii) immediately after the completion of the Rights Issue assuming no acceptance by the Shareholders, except the Underwriter, under the Rights Issue. For illustration purpose, it is assumed that there are no Excluded Shareholders under the Rights Issue and the Underwriter does not itself subscribe for any of the Underwritten Shares.

Name of Shareholder	(i) As at the date of this announcement		(ii) Immediately after the completion of the Rights Issue assuming full acceptance by the Shareholders under the Rights Issue		(iii) Immediately after the completion of the Rights Issue assuming no acceptance by the Shareholders, except the Underwriter, under the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Ms. Ma	243,675,162	50.46	365,512,743	50.46	485,115,654	66.98
Public Shareholders	239,205,822	49.54	358,808,733	49.54	239,205,822	33.02
Total	482,880,984	100.00	724,321,476	100.00	724,321,476	100.00

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

Set out below is the expected timetable for the implementation of the Rights Issue. The timetable is subject to change in accordance with the terms of the Underwriting Agreement. The Company will notify the Shareholders on any changes to the expected timetable by way of announcement(s) as and when appropriate.

2014

Last day of dealing in Shares on a cum-rights basis	Tuesday, 29 April
First day of dealing in Shares on an ex-rights basis	Wednesday, 30 April
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	By 4:30 p.m. on Friday, 2 May
Register of members of the Company closes	Monday, 5 May to Friday, 9 May
Record Date	Friday, 9 May
Register of members of the Company re-opens	Monday, 12 May
Despatch of the Prospectus Documents	Monday, 12 May
First day of dealings in nil-paid Rights Shares	Wednesday, 14 May
Latest time for splitting of nil-paid Rights Shares	By 4:30 p.m. on Friday, 16 May
Last day of dealings in nil-paid Rights Shares	Wednesday, 21 May
Latest time for acceptance of, and payment for the Rights Shares and for application and payment for excess Rights Shares	By 4:00 p.m. on Monday, 26 May
Latest time for the Rights Issue to become unconditional	By 4:00 p.m. on Wednesday, 28 May
Announcement of results of acceptance of and excess application for the Rights Issue	Wednesday, 4 June
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before	Thursday, 5 June

Despatch of certificates for fully-paid Thursday, 5 June
Rights Shares on or before

Commencement of dealings in fully-paid Friday, 6 June
Rights Shares

**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF
AND PAYMENT FOR THE RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares will not take place at the time stated above if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 26 May 2014. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 26 May 2014. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on Monday, 26 May 2014, the dates mentioned in the section headed “Expected timetable for the Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is principally engaged in manufacture and sale of Polyethylene Pipes.

The estimated net proceeds from the Rights Issue will be approximately HK\$49 million. The Company intends to apply the net proceeds from the Rights Issue for (i) the funding and further development of the Group’s existing and future businesses, including the financing of possible acquisition and investment opportunities and (ii) the general working capital of the Group. Pursuant to the announcement of the Company dated 10 April 2014, the Company is contemplating an acquisition of a target company which is principally engaged in liquefied natural gas business and the expected consideration for such acquisition is approximately HK\$29.7 million.

Given that the net proceeds from the Rights Issue would enhance the Company's capital base and would not incur any interest expenses burden to the Group as compared to debt financing, the Directors (including the independent non-executive Directors) believe that raising fund by way of the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

There has not been any fund raising exercise conducted by the Company in the past 12 months immediately preceding the date of this announcement.

GEM LISTING RULES IMPLICATIONS

The Rights Issue is not subject to Shareholders' approval under the GEM Listing Rules. The Rights Issue will be carried out in compliance with Rule 10.31(1) of the GEM Listing Rules.

GENERAL

The Company will despatch the Prospectus Documents to each of the Qualifying Shareholders and, for information only, the Prospectus together with the Overseas Letter to each of the Excluded Shareholders (if any) on or about 12 May 2014.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Announcement”	the announcement to be made by the Company concerning, among others, the Rights Issue in the agreed form
“associate(s)”	has the meaning ascribed thereto in Chapters 1 and 20 of the GEM Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof
“business day”	any day (other than a Saturday, a Sunday or a public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Directors”	directors of the Company
“EAF(s)”	the excess application form(s) to be issued to Qualifying Shareholders in respect of applications for excess Rights Shares in connection with the Rights Issue
“Excluded Shareholder(s)”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Rights Shares based on the enquiry made by the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	11 April 2014, being the last full trading day before the release of this announcement
“Latest Lodging Date”	4:30 p.m. on Friday, 2 May 2014 or such other date and/or time as the Underwriter and the Company may agree as the latest time for lodging transfer of the Shares in order to qualify for the Rights Issue
“Latest Time for Acceptance”	4:00 p.m. on Monday, 26 May 2014 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of the Rights Shares
“Latest Time for Termination”	4:00 p.m. on the second business day after the Latest Time for Acceptance or such other time as may be agreed between the Company and the Underwriter

“Ms. Ma” or the “Underwriter”	Ms. Ma Zheng, the executive director and chairman of the Company
“Ms. Ma Undertaking”	the irrevocable undertakings given by Ms. Ma pursuant to the Underwriting Agreement
“Nil-paid Rights”	the nil-paid rights of Shareholders to be allotted pursuant to the Rights Issue
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	Shareholders whose registered addresses as shown in the register of members of the Company on the Record Date are outside of Hong Kong
“Prospectus”	the prospectus in relation to the Rights Issue expected to be dated on or about Monday, 12 May 2014 or such other date as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, Provisional Allotment Letter and Excess Application Form
“Prospectus Posting Date”	Monday, 12 May 2014 or such other date as the Underwriter may agree in writing with the Company
“Provisional Allotment Letter(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in the agreed form
“Qualifying Shareholder(s)”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Friday, 9 May 2014 or such other date as may be agreed between the Company and the Underwriter
“Registrars”	Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong

“Rights Issue”	the issue by way of rights of the Rights Shares on the terms and subject to the conditions as set out in the Underwriting Agreement and in the Prospectus
“Rights Issue Price”	HK\$0.21 per Rights Share
“Rights Share(s)”	241,440,492 new Shares proposed to be offered to Qualifying Shareholders by way of rights on the terms set out in the Underwriting Agreement and in the Prospectus
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.0625 each in the issued and unissued share capital of the Company
“Shareholder(s)”	holders of issued Shares
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriting Agreement”	the underwriting agreement dated 11 April 2014 entered into between the Underwriter and the Company in relation to the Rights Issue
“Underwritten Share(s)”	119,602,911 Rights Shares under the Rights Issue which are fully underwritten by the Underwrites being the number of the Rights Shares less the aggregate number of Rights Shares agreed to be taken up by the Underwriter
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the board of
China Primary Resources Holdings Limited
Ma Zheng
Chairman

Hong Kong, 11 April 2014

As at the date of this announcement, the Board comprises Ms. MA Zheng, Mr. WONG Pui Yiu and Mr. PAN Feng 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 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 “Latest Company Announcements” page of the website of the Stock Exchange at <http://www.hkgem.com> for at least 7 days from the date of its publication and on the Company’s designated website at <http://china-p-res.etnet.com.hk>.