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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 CHANGE OF AUDITORS

The Board announces that Grant Thornton have resigned as the auditors of the Group with effect from 20 December 2007. The Board proposes to appoint Horwath Hong Kong as the auditors of the Group to fill the vacancy following the resignation of Grant Thornton subject to the approval by the Shareholders at the EGM.

The board (the “**Board**”) of directors (the “**Directors**”) of China Primary Resources Holdings Limited (the “**Company**”) announces that Grant Thornton have resigned as the auditors of the Company and its subsidiaries (the “**Group**”) with effect from 20 December 2007. The Board has resolved to appoint Shu Lun Pan Horwath Hong Kong CPA Limited (“**Horwath Hong Kong**”) as auditors of the Group (the “**Proposed Appointment**”) to fill the vacancy following the resignation of Grant Thornton. Pursuant to the articles of association of the Company, the Proposed Appointment shall be approved by the shareholders (the “**Shareholders**”) of the Company at an extraordinary general meeting (the “**EGM**”).

After carrying out their annual consideration, Grant Thornton have decided to resign as auditors of the Group. The Board was informed by Grant Thornton that the factors taken into account in reaching such a conclusion included the professional risks associated with the audit, the level of audit fees, their available internal resources in light of current work flows.

Grant Thornton confirmed that from their perspective there were no matters in addition to those noted above that need to be brought to the attention of the Shareholders and creditors of the Group.

The Board, the audit committee of the Board (the “**Audit Committee**”) and Grant Thornton confirm there are no circumstances connected with the Proposed Appointment which the Board, the Audit Committee and Grant Thornton considered should be brought to the attention of the Shareholders and creditors of the Group.

After consideration by the Audit Committee, the Proposed Appointment was approved by the Board conditional upon the approval by the Shareholders at the EGM.

A circular containing, among other things, details of the Proposed Appointment together with the notice of EGM will be despatched to the Shareholders as soon as practicable.

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

Hong Kong, 20 December 2007

*As at the date of this announcement, the Board comprises Ms. Ma Zheng and Mr. Chiu Winerthan who are the executive Directors, and Mr. Wan Tze Fan Terence, Mr. Liu Weichang and Mr. Gao Sheng Yu 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 Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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