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China Zhongsheng Resources Holdings Limited **中國中盛資源控股有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 02623)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules).

The Board wishes to inform the Shareholders and potential investors that based on preliminary review by the Group's management of the unaudited management accounts of the Group for the six months ended 30 June 2013, the Group is expected to record a substantial increase in total comprehensive income for the six months ended 30 June 2013 as compared to the six months ended 30 June 2012, which was primarily attributable to the one-off gain on bargain purchase (negative goodwill) as a result of the Acquisition completed in the first quarter of 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Zhongsheng Resources Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). The Company and its subsidiaries are collectively referred to in this announcement as the “**Group**”.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (“**Shareholders**”) of the Company and potential investors that based on preliminary review by the Group's management of the unaudited management accounts of the Group for the six months ended 30 June 2013, the Group is expected to record a substantial increase in total comprehensive income for the six months ended 30 June 2013 as compared to the six months ended 30 June 2012.

The Board considered that the expected increase in the total comprehensive income of the Group for the six months ended 30 June 2013 as compared to the six months ended 30 June 2012 was primarily attributable to the one-off gain on bargain purchase (negative goodwill) as a result of acquisition (the “**Acquisition**”) of 95% of the equity interests of Linyi Luxing Titanium Co. Ltd (“**Luxing Titanium**”), which was completed in the first quarter of 2013. The one-off gain on bargain purchase (negative goodwill) was mainly derived from the difference between the fair value of 95% of Luxing Titanium's identifiable net assets and consideration paid by the Group for the Acquisition.

The financial results of the Group for the second half of 2012 had been negatively impacted as a result of the sluggish market. With the gradual recovery of the market in the first half of 2013, the financial results of the Group for the six months ended 30 June 2013 had improved as compared to the second half of 2012.

As the Company is still in the process of finalizing the results of the Group for the six months ended 30 June 2013, the information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited management accounts of the Group and is not based on any figures or information that have been audited or reviewed by the auditors of the Company. The actual results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the six months ended 30 June 2013 which is expected to be published before the end of August 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Li Yunde
Chairman & Executive Director

7 August 2013

As at the date of this announcement, the executive directors of the Company are Mr. Li Yunde, Mr. Geng Guohua and Mr. Lang Weiguo; and the independent non-executive directors of the Company are Mr. Zhang Jingsheng, Mr. Li Xiaoyang and Mr. Lin Chu Chang.