[illegible]

China Primary Resources Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8117)

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of CHINA PRIMARY RESOURCES HOLDINGS LIMITED (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 report 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 report misleading.

HIGHLIGHTS

Turnover for the nine months ended 30 September 2014 was approximately HK$51,127,000 (nine months ended 30 September 2013: approximately HK$17,680,000), representing an increase of approximately 189% from the corresponding period of last year.

Loss attributable to owners of the Company amounted to approximately HK$26,159,000 (nine months ended 30 September 2013: loss of approximately HK$21,867,000).

The Board does not recommend the payment of any interim dividend for the nine months ended 30 September 2014 (nine months ended 30 September 2013: Nil).

UNAUDITED RESULTS

The board of Directors (the "Board") of China Primary Resources Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the nine months ended 30 September 2014 together with the comparative figures as follows. The consolidated third quarterly financial statements of the Group have not been audited but have been reviewed by the audit committee of the Company.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Notes	Three months ended 30 September 2014 HK$'000	Three months ended 30 September 2013 HK$'000 (Restated)	Nine months ended 30 September 2014 HK$'000	Nine months ended 30 September 2013 HK$'000 (Restated)
Turnover	2	**25,887**	1,803	**51,127**	17,680
Other income and gains and losses	3	**140**	255	**344**	776
Cost of sales		**(23,123)**	(2,229)	**(50,665)**	(18,970)
Staff costs, including directors' remuneration		**(3,916)**	(2,460)	**(11,486)**	(6,802)
Depreciation		**(1,414)**	(1,194)	**(4,018)**	(3,661)
Amortisation of land use rights		**(199)**	(196)	**(583)**	(584)
Other operating expenses		**(4,495)**	(2,997)	**(11,115)**	(10,294)
Share of profit, net of associates		**135**	–	**321**	–
Finance costs	4	**(90)**	(6)	**(315)**	(12)
Loss before income tax	5	**(7,075)**	(7,024)	**(26,390)**	(21,867)
Income tax	6	**–**	–	**–**	–
Loss for the period		**(7,075)**	(7,024)	**(26,390)**	(21,867)
Other comprehensive income:					
Exchange differences on translation of foreign operations		**3,439**	649	**(3,980)**	4,932
Other comprehensive income for the period		**3,439**	649	**(3,980)**	4,932
Total comprehensive income for the period		**(3,636)**	(6,375)	**(30,370)**	(16,935)
Loss attributable to:					
Owners of the Company		**(7,056)**	(7,024)	**(26,159)**	(21,867)
Non-controlling interests		**(19)**	–	**(231)**	–
		(7,075)	(7,024)	**(26,390)**	(21,867)
Total comprehensive income attributable to:					
Owners of the Company		**(3,617)**	(6,375)	**(30,139)**	(16,935)
Non-controlling interests		**(19)**	–	**(231)**	–
		(3,636)	(6,375)	**(30,370)**	(16,935)
Basic and diluted loss per share	8	**(0.95 cents)**	(1.29 cents)	**(4.11 cents)**	(4.03 cents)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The Company is a limited liability company incorporated in the Cayman Islands, as an exempted company under the Companies Law (2001 Revision) of the Cayman Islands on 5 September 2001. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is in Hong Kong. The Company's shares are listed on the GEM of the Stock Exchange.

The principal activity of the Company is investment holding. The Group engages in the manufacture and sale of Polyethylene pipes ("PE pipes") that operates primarily in the markets of the People's Republic of China (the "PRC"). The Group is in the process of disposing of the mining business to the holder of the Convertible Bonds (as defined below).

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirement of Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

The unaudited condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The accounting policies adopted in the unaudited condensed consolidated results are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In this reporting period, the Group had applied for the first time, a number of new HKFRSs and Hong Kong Accounting Standards ("HKAS") issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2014. The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting period as prepared and presented.

2. TURNOVER

Turnover, which is also revenue, represents the sales value of goods supplied to customers. An analysis of the Group's turnover is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Sales of PE pipes and composite materials	**14,529**	1,803	**35,955**	17,680
Transmission and distribution of natural gas	**11,358**	–	**15,172**	–
	25,887	1,803	**51,127**	17,680

3. OTHER INCOME AND GAINS AND LOSSES

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Bank interest income	**19**	12	**57**	23
Gain on disposal of investments held for trading	**61**	18	**61**	280
Investment income from unlisted investment funds	**0**	1	**0**	495
Fair value (loss)/gain on investments held for trading	**13**	224	**(95)**	(22)
Sundry income	**47**	–	**321**	–
	140	255	**344**	776

4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest expenses on other borrowing	**90**	6	**315**	12

5. LOSS BEFORE INCOME TAX

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss before income tax is arrived after charging:				
Minimum lease payments under operating lease charges in respect of land and buildings	**407**	860	**1,299**	1,370
Depreciation *(Note)*	**3,689**	3,465	**10,677**	10,331
Written off of property, plant and equipment	**–**	32	**–**	32

Note: Depreciation charge included amount of HK$2,275,000 and HK$6,659,000 respectively for the three months and nine months ended 30 September 2014 (three months and nine months ended 30 September 2013: HK$2,268,000 and HK$5,933,000 respectively) recognised as cost of sales for the periods under review.

6. INCOME TAX

Income tax in the unaudited condensed consolidated statement of comprehensive income represents:

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Income tax for the period	**–**	–	**–**	–

No provision has been made for Hong Kong profits tax as the Group has no assessable profit arising from Hong Kong during the current and prior periods. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

In accordance with the PRC Enterprise Income Tax Law approved by the National People's Congress on 16 March 2007 and became effective from 1 January 2008, the Group's subsidiaries in the PRC are subject to enterprise income tax ("EIT") at the unified EIT rate of 25%. No provision for EIT has been made as the subsidiary sustained a loss during the periods under review.

7. DIVIDEND

The Board does not recommend the payment of any interim dividend for the nine months ended 30 September 2014 (nine months ended 30 September 2013: Nil).

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Three months ended 30 September		**Nine months ended 30 September**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss:				
Loss for the purposes of basic and diluted loss per share	**7,056**	7,024	**26,159**	21,867

	Three months ended 30 September		**Nine months ended 30 September**	
	2014	2013	**2014**	2013
	'000	*'000*	***'000***	*'000*
		(Restated)		(Restated)
Number of shares:				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**741,117**	543,241	**636,457**	543,241

Diluted loss per share for the three months and nine months ended 30 September 2014 and 2013 are the same as the basic loss per share as there were no dilutive potential ordinary shares in issue for periods under review.

9. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Company								
	Share capital *HK$'000*	Share premium account *HK$'000*	Convertible bonds reserve *HK$'000*	Statutory surplus reserve *HK$'000*	Available-for-sale financial assets reserve *HK$'000*	Exchange translation reserve *HK$'000*	Accumulated losses *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2013	30,180	443,564	17,922	5,110	784	73,579	(321,340)	33,905	283,704
Loss for the period	–	–	–	–	–	–	(21,867)	–	(21,867)
Other comprehensive income	–	–	–	–	–	4,932	–	–	4,932
Total comprehensive income	–	–	–	–	–	4,932	(21,867)	–	(16,935)
Balance at 30 September 2013	30,180	443,564	17,922	5,110	784	78,511	(343,207)	33,905	266,769

	Equity attributable to owners of the Company								
	Share capital *HK$'000*	**Share premium account** *HK$'000*	**Convertible bonds reserve** *HK$'000*	**Statutory surplus reserve** *HK$'000*	**Available-for-sale financial assets reserve** *HK$'000*	**Exchange translation reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
Balance at 1 January 2014	**30,180**	**443,564**	**17,922**	**5,110**	**1,564**	**81,656**	**(365,918)**	**33,905**	**247,983**
Loss for the period	–	–	–	–	–	–	(26,159)	(231)	(26,390)
Other comprehensive income	–	–	–	–	–	(3,980)	–	–	(3,980)
Total comprehensive income	–	–	–	–	–	(3,980)	(26,159)	(231)	(30,370)
Issue of Rights Shares, net of expenses	15,090	34,834	–	–	–	–	–	–	49,924
Subscription of new shares	6,036	32,595	–	–	–	–	–	–	38,631
Acquisition of equity interest of subsidiary	–	–	–	–	–	–	–	7,629	7,629
Balance at 30 September 2014	**51,306**	**510,993**	**17,922**	**5,110**	**1,564**	**77,676**	**(392,077)**	**41,303**	**313,797**

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and future outlook

Turnover of the Group for the nine months ended 30 September 2014 was increased when compared to the corresponding period in 2013. Turnover of the Group for the current period included the turnover of the natural gas business from June 2014. The Board believes that turnover of the Group will be improved with the new natural gas business and anticipated improvement of the Polyethylene pipes ("PE pipes") business.

With the acquisition of Can Guang Petrochemical (Fujian) Co., Ltd.# (燦光石化(福建)有限公司) and the formation of Shenzhen China Primary Tianyin Energy Company Limited# (深圳中基天印能源有限公司) in the year 2014, the natural gas business is heading the right position and become one of the major business of the Group.

The Board and management have been working closely to strengthen the sale network with existing customers and in the meantime, looking for new customers so as to expand the customer portfolio. The above efforts on customer portfolio have strengthened the foundation of the Group and could lead to success in the long term. Currently, the customer portfolio is stable and continues to grow. With the new natural gas business, the Board believes the turnover and the result of the Group will be much better in the fourth quarter of 2014 and thereafter.

As mentioned above, due to low turnover and relatively high production fixed costs, the gross margin was not meeting target. However, with the anticipated higher turnover under continue improvement of turnover and a strengthened customer portfolio, gross margin will definitely improve in the fourth quarter of 2014 and in the long term.

The business segment of the PE pipes has been the core business of the Group during the period under review and continued as one of the main business of the Group in 2014. The PE pipes are products employed for construction and city development in the People's Republic of China (the "PRC"). The Group's major customers are the government and public entities, or their suppliers, from different provinces and cities in the PRC. Given the continue development of the PRC economy and improvement of the property market in the long term, the Board believes that the demands for the PE pipes are both sustainable and look set to increase.

In the meantime, the Board has been exploring possible investing opportunities to increase the Company's value. Below are some of the new investment projects of the Company in 2014.

Deed of Settlement and disposal of subsidiaries

On 31 October 2007, the Company issued to Lehman Brothers Commercial Corporation Asia Limited ("Lehman Brothers") (the "Bondholder") the then 4.5% convertible bonds of the Company in the principal amount of approximately HK$246 million (the "Convertible Bonds" or "Bonds") which was due on 31 October 2010. On 17 September 2010, the Company, the Bondholder and the joint and several liquidators of Lehman Brothers (the "Liquidators") entered into the original agreement (the "Original Deed of Settlement") to set out the terms for the redemption of the Bonds. Details of the Original Deed of Settlement were set out in the announcement of the Company dated 27 September 2010 and the circular of the Company dated 11 October 2010. On 27 October 2010, the Original Deed of Settlement was approved by the Shareholders. Pursuant to the Original Deed of Settlement, the redemption of the Bonds is subject to fulfillment of certain conditions including but not limited to the transfer of the Sale Interest (as defined below) to the Bondholder or any third party as directed by the Bondholder and the payment of an aggregate amount of HK$85 million.

Pursuant to the Original Deed of Settlement, the Sale Interest represents 100% of the issued share capital of Zhong Ping Resources Holdings Limited ("Zhong Ping"), a company incorporated in the British Virgin Islands ("BVI") with limited liability (being the holder of the 70% equity interest in ARIA LLC, a company incorporated in Mongolia with limited liability ("ARIA")), or, at the sole and absolute discretion of the Bondholder, all of the assets held directly or indirectly by Zhong Ping. Subsequently, the Bondholder elected to receive a transfer of the 70% equity interest in ARIA. To the best knowledge of the Directors, the registration of the ARIA Transfer could not be completed without a new joint venture agreement between a new shareholder and Selenge Mining LLC, a company organized and existing under the laws of Mongolia (the "Minority Shareholder"), having been agreed, signed and registered with the Legal Entity Registration Office of Mongolia. Due to the prolonged commercial negotiation between the Bondholder and the Minority Shareholder, it is unpredictable when a new joint venture agreement can be agreed and signed.

Therefore, after negotiations with the Bondholder and the Liquidators, the Company entered into a supplemental deed on 15 January 2014 (the "Supplemental Deed") with the Bondholder and the Liquidators, pursuant to which the Bondholder agreed to accept the transfer of the Zhong Ping Shares and revoke its election to receive the 70% equity interest in ARIA. Under such amendment, the transfer of the Zhong Ping Shares can be effected without the approvals and consent required for the ARIA Transfer in Mongolia as Zhong Ping is a BVI company and was wholly-owned by the Company.

Pursuant to the Original Deed of Settlement and the Supplemental Deed, the Company agrees to pay a total of approximately HK$122,000,000 and to transfer the Sale Interest (which is classified as assets classified as held for sale and liabilities associated with assets classified as held for sale) to the Bondholder for the full settlement of the Bonds. The long-stop date has been extended several times to allow more time for the transfer of the Sale Interest.

Finally, all conditions of the redemption of the Bonds have been fulfilled pursuant to the Amended Deed of Settlement and redemption of the Bonds has completed on 16 October 2014. Accordingly, the Bonds have been sent to the registrar for cancellation and no Bonds remain outstanding.

Details are set out in the announcements dated 27 September 2010, 28 October 2011, 28 December 2011, 24 February 2012, 27 March 2012, 29 May 2012, 28 August 2012, 27 December 2012, 27 June 2013, 30 September 2013, 31 October 2013, 29 November 2013, 30 December 2013, 15 January 2014, 29 April 2014, 23 May 2014, 20 June 2014, 17 July 2014, 21 August 2014, 29 September 2014 and 16 October 2014 and the circulars dated 11 October 2010 and 12 March 2014 of the Company.

Loan Agreement

Taking into account the financial position of the Company, the Company has entered into a loan agreement (the "Loan Agreement") with Excel Sino Investments Limited (the "Lender"), an independent third party, to finance the payment of the non-refundable deposit in the sum of HK$6 million (the "Deposit") and the amount in HK$ that is equal to the HK$ equivalent of RMB24,000,000 (the "Fourth Payment Amount"). On 15 January 2014, the Company (as borrower) and the Lender entered into the Loan Agreement, pursuant to which the Lender agreed to provide loans up to HK$38.0 million to the Company for the payment of the Deposit and the Fourth Payment Amount as required under the Supplemental Deed.

Details are set out in the announcement dated 15 January 2014 and the circular dated 12 March 2014 of the Company.

As disclosed in the section headed "Subscription of new shares" below, all outstanding loan amount was repaid and converted into Shares on 15 September 2014.

The Discloseable Transaction – Acquisition

On 10 April 2014, China Primary Energy (Shenzhen) Limited# (中基能源（深圳）有限公司), a wholly-owned subsidiary of the Company which is established in the PRC, as the purchaser (the "Purchaser"), Shenzhen Xin He Enterprise Management Consulting Co., Ltd.# (深圳鑫河企業管理諮詢有限公司), as the vendor (the "Vendor") and Zou Shuyan# (鄒淑豔) and Xu Haijun# (徐海軍), as the guarantors (the "Guarantors") entered into the sale and purchase agreement (the "SP Agreement") pursuant to which the Purchaser conditionally agreed to acquire (the "Acquisition") and the Vendor conditionally agreed to sell 70% of the registered capital of Can Guang Petrochemical (Fujian) Co., Ltd.# (燦光石化（福建）有限公司) ("Can Guang Petrochemical (Fujian)"), a company established in the PRC and the assigned debt (all obligations, liabilities and debts owing or incurred by Can Guang Petrochemical (Fujian) to the Vendor on or at any time prior to the completion of the SP Agreement (the "Completion") whether actual, contingent or deferred or irrespective of whether or not the same is due and payable on completion, which will be assigned to the Purchaser upon Completion which as at 31 December 2013 amounted RMB3.5 million) at the consideration of RMB23.5 million (equivalent to approximately HK$29.7 million) (the "Consideration").

Based in Fujian Province and currently expanding in the PRC, Can Guang Petrochemical (Fujian) and its subsidiaries (the "Can Guang Petrochemical (Fujian) Group") is principally engaged in the supply of the natural gas to the customers for industrial, commercial and household uses through sourcing of the natural gas from the upstream suppliers including but not limited to state-owned enterprise.

The scope of the Can Guang Petrochemical (Fujian) Group's business includes transmission and distribution of the natural gas. The main business operations of the Can Guang Petrochemical (Fujian) Group is located in areas including Zhangzhou, Fuzhou, Ningde and Nanping, the PRC. The Can Guang Petrochemical (Fujian) Group has built up its customer base in these areas for the supply of the natural gas.

Details are set out in the announcement dated 10 April 2014 of the Company.

The Acquisition has completed and Can Guang Petrochemical (Fujian) became the non wholly-owned subsidiary of the Company on 9 June 2014.

Rights Issue

The issue by way of rights of 241,440,492 rights shares (the "Rights Share(s)") in the proportion of one Rights Share for every two shares at a price of HK$0.21 per Rights Share (the "Rights Issue") was duly completed on 5 June 2014. Total net proceeds of approximately HK$49 million was received and the Company intends to apply the net proceeds from the Rights Issue (i) as to about 60% thereof for the funding and further development of the Group's existing and future businesses, including but not limited to, the financing of possible acquisition and investment opportunities; and (ii) as to about 40% thereof as 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 the Can Guang Petrochemical (Fujian) which is principally engaged in natural gas business and the expected consideration for such acquisition is approximately HK$29.7 million, which is about 60% of the net proceeds.

Pursuant to underwriting agreement dated 11 April 2014 (the "Underwriting Agreement") entered into between Ms. Ma Zheng, executive director and chairman of the Company (as underwriter), and the Company in relation to the Rights Issue, Ms. Ma Zheng has taken up her provisional allotment of an aggregate of 121,837,581 Rights Shares under the Rights Issue in full. Ms. Ma Zheng has also made an application for 30,000,000 excess Rights Shares and has acquired from the market an additional 3,280,000 Rights Shares. The excess Rights Shares allocated to Ms. Ma Zheng was 1,488,889 Rights Shares, being approximately 4.96% of 30,000,000 excess Rights Shares. As a result, the number of Shares held by Ms. Ma Zheng immediately after the Rights Issue is 370,281,632 Shares.

Details are set out in the announcements dated 11 April 2014 and 4 June 2014 and the Prospectus dated 12 May 2014 of the Company.

The Discloseable Transaction – Finance Lease Agreements

On 31 July 2014, Can Guang Petrochemical (Fujian) Co., Ltd.# (燦光石化（福建）有限公司) (the "Lessee"), a non wholly-owned subsidiary of the Company, as a lessee, entered into the finance lease agreements (together the equipment finance lease agreement and the transportation vehicle finance lease agreement) with CIMC Financing and Leasing Co., Ltd.# (中集融資租賃有限公司), an independent third party (the "Lessor"), as a lessor, pursuant to which the Lessor agreed to purchase various machinery and equipment in relation to the supply of the natural gas and one low-temperature liquid transportation vehicle specializing in transport the natural gas (the "Leasing Equipment and Transportation Vehicle") from suppliers or manufacturers at the request of the Lessee and then the Lessor shall lease the Leasing Equipment and Transportation Vehicle to the Lessee for a period of 36 months commencing from the date of delivery of the leasing equipment or the leasing transportation vehicle, as the case maybe. The total lease payments payable under the finance lease agreements is approximately RMB13,841,164.

The Company has provided guarantee in favour of the Lessor for, including but not limited to, unpaid deposit, unpaid lease payment, compensation, handling charge, default interest or other payables by the Lessee relating to the finance lease agreements.

Details are set out in the announcement dated 31 July 2014 of the Company.

The Discloseable Transaction – Proposed formation of a joint venture company

On 13 August 2014, a joint venture agreement (the "JV Agreement") is entered into between China Primary Energy (Shenzhen) Limited# (中基能源（深圳）有限公司) ("China PE (Shenzhen)"), a wholly-owned subsidiary of the Company, and Shenzhen City Tianyin Investment Company Limited# (深圳市天印投資有限公司) ("Tianyin Investment") in relation to the formation of Shenzhen China Primary Tianyin Energy Company Limited# (深圳中基天印能源有限公司) ("Shenzhen JV"), a limited liability company to be established in Shenzhen City, Guangdong Province, the PRC.

The parties to the JV Agreement agreed that within two months after the date of the JV Agreement, Shenzhen JV will be established and will be owned as to 55% by China PE (Shenzhen) and as to 45% by Tianyin Investment. It is expected that Shenzhen JV will be engaged principally in the development of natural gas market and related engineering project business in the PRC.

In the event that within 24 months after the date of the JV Agreement, Shenzhen JV cannot complete the necessary approval procedures for natural gas related project, the parties to the JV Agreement shall have the right to dissolve Shenzhen JV.

The expected registered capital of Shenzhen JV will be RMB50,000,000 and will be contributed as to RMB27,500,000 by China PE (Shenzhen) in cash and as to RMB22,500,000 by Tianyin Investment in cash. Upon establishment, Shenzhen JV will become an indirect non wholly-owned subsidiary of the Company.

Details are set out in the announcement dated 13 August 2014 of the Company.

Subscription of new shares

On 4 September 2014, the Company entered into the subscription agreement (the "Subscription Agreement") with Excel Sino Investments Limited (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 96,576,196 new Shares (the "Subscription Share(s)") at the subscription price of HK$0.40 per Subscription Share (the "Subscription").

Reference is also made to the announcement of the Company dated 15 January 2014, the Company and the Subscriber entered into of the Loan Agreement pursuant to which the Subscriber would advance loan of up to HK$38,000,000 to the Company. As at 15 January 2014, the outstanding sum owed by the Company to the Subscriber amounts to approximately HK$7,312,794.52.

By entering into the Subscription Agreement, the Group can gather equity fund to repay the Bonds instead of loan financing. As such, the finance cost can be reduced. Furthermore, the Subscription will broaden the shareholder base of the Company.

The gross proceeds of the Subscription are approximately HK$38.6 million.

After the set off of the loan owed by the Company to the Subscriber under the Loan Agreement, the remaining net proceeds of the Subscription of approximately HK$31 million has been used to repay the Bonds owed by the Company to the Bondholder.

The completion of the Subscription has taken place on 15 September 2014 pursuant to the terms of the Subscription Agreement and all the 96,576,196 Subscription Shares have been issued and allotted to the Subscriber in accordance with the terms and conditions of the Subscription Agreement.

Details are set out in the announcements dated 4 September 2014 and 15 September 2014 of the Company.

Entering into of cooperation agreement with Tengchong Government in relation to natural gas project

On 22 September 2014, the Company has entered into the cooperation agreement (the "Cooperation Agreement") with the Tengchong County People's Government (the "Tengchong Government") in relation to the natural gas utilization engineering project (the "Natural Gas Project").

Pursuant to the Cooperation Agreement, the Company will invest to set up a project company (the "Project Company") in Tengchong County, Yunnan Province, the PRC for the Natural Gas Project. The Natural Gas Project will be an engineering project involving the utilization of natural gas in Tengchong Economic Development Zone.

The Company shall procure to set up the Project Company within 25 working days after the entering into of the Cooperation Agreement. The Company shall also pay a refundable investment earnest money of RMB1,500,000 to the Tengchong Government for the Natural Gas Project.

Tengchong Government will grant a license to the Project Company to operate natural gas business in Tengchong Economic Development Zone for a term of 30 years. Tengchong Government has also on the same date of the Cooperation Agreement entered into of a license agreement to grant a license to the Company to operate natural gas business in Tengchong Economic Development Zone for a term of 30 years.

Details are set out in the announcement dated 22 September 2014 of the Company.

Proposed change of the Company name

On 9 October 2014, the Board proposed to change of the English name of the Company from "China Primary Resources Holdings Limited" to "China Primary Energy Holdings Limited" and the Chinese name "中國基礎資源控股有限公司" to "中國基礎能源控股有限公司", subject to the following conditions:

1. the passing of a special resolution by the Shareholders at the extraordinary general meeting of the Company to be held on 18 November 2014 to approve the change of the Company name; and

2. (if required), the Registrar of Companies in the Cayman Islands approving the change of the Company name.

Due to increased investments in the energy sector in 2014 and with further development and expansion of the business of the Group, the Board considers that the proposed change of the Company name will reflect the future emphasis of the Group in energy related business and the business nature of the Company. In addition, the new name can also refresh the Company's corporate image and identity.

The Company will make further announcement(s) as and when appropriate on the effective date of the change of the name of the Company and the new stock short name of the Company.

Details are set out in the announcement dated 9 October 2014 and the circular dated 23 October 2014 of the Company.

The Discloseable Transaction – Proposed acquisition of a natural gas company established in Ningguo City, the PRC

On 13 October 2014, China Primary Energy (Shenzhen) Limited# (中基能源（深圳）有限公司) (the "Purchaser"), a wholly-owned subsidiary of the Company, entered into the acquisition agreement (the "Acquisition Agreement") with Hande Investments Company Limited# (漢德投資有限責任公司) (the "Vendor") to acquire the entire registered capital (the "Sale Capital") of Ningguo Ruide Natural Gas Company Limited# (寧國瑞德天然氣有限公司) ("Ningguo Ruide"), for a total consideration of RMB30,000,000 (subject to adjustments).

Within 30 working days from the date of the Acquisition Agreement, the Vendor shall assist Ningguo Ruide to enter into license agreement with Ningguo Municipality Government or its designated department in order to grant a license to Ningguo Ruide for operating gas within Ningguo City Economic & Technological Development Zone for a term of 30 years.

Completion will take place on the date of completion of registration of the transfer of Sale Capital with relevant authority.

After completion, Ningguo Ruide will become an indirectly and wholly-owned subsidiary of the Company.

Ningguo Ruide is a company established in Ningguo City, the PRC in 2008 and is principally engaged in the natural gas business in the PRC. The registered capital of Ningguo Ruide is RMB10,000,000, which has been fully paid. Ningguo Ruide holds a gas operation license to operate natural gas business within Ningguo City Economic & Technological Development Zone.

Details are set out in the announcement dated 13 October 2014.

Financial review

Turnover was approximately HK$51,127,000 for the nine months ended 30 September 2014, which represented an increase of approximately 189% when compared with approximately HK$17,680,000 in the corresponding period of last year. The Board believes that turnover of the Group will be improved with the new natural gas business and anticipated improvement of the PE pipes business.

For the nine months ended 30 September 2014, the unaudited loss before income tax was approximately HK$26,390,000 (nine months ended 30 September 2013: loss of approximately HK$21,867,000). The loss attributable to owners of the Company was approximately HK$26,159,000 (nine months ended 30 September 2013: loss of approximately HK$21,867,000). In the current economic environment, the Board will continue to exercise stringent cost control and maintain a low and effective overheads structure and prudently utilise the Group's corporate resources to create wealth for the shareholders of the Company.

Liquidity and financial resources

As at 30 September 2014, the Directors anticipated that the Group has adequate financial resources to meet its ongoing operations and future development.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2014, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

The approximate percentage of interest set out below is based on 820,897,672 ordinary shares in issue as at 30 September 2014.

Long position in the ordinary shares of HK$0.0625 each in the Company as at 30 September 2014:

	Number of ordinary shares held		
Name of Director	**Type of interests**	**Number of ordinary shares**	**Approximate percentage of interests**
Ms. Ma Zheng	Beneficial	340,281,632	41.45%

Note: Pursuant to the Underwriting Agreement dated 11 April 2014, Ms. Ma Zheng has taken up her provisional allotment of an aggregate of 121,837,581 Rights Shares under the Rights Issue in full. Ms. Ma Zheng has also made an application for 30,000,000 excess Rights Shares and has acquired from the market an additional 3,280,000 Rights Shares. The excess Rights Shares allocated to Ms. Ma Zheng was 1,488,889 Rights Shares, being approximately 4.96% of 30,000,000 excess Rights Shares. As a result, the number of Shares held by Ms. Ma Zheng immediately after the Rights Issue was 370,281,632 Shares.

On 29 September 2014, Ms. Ma Zheng sold 30,000,000 Shares. As a result, the number of Shares held by Ms. Ma Zheng become 340,281,632 Shares as at 30 September 2014.

Save as disclosed above, as at 30 September 2014, none of the directors and chief executive of the Company had any other interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations, within the meaning of Part XV of the SFO required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

SHARE OPTION

On 8 May 2012, a new share option scheme (the "Share Option Scheme") was adopted by the shareholders of the Company. The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who would contribute to the success of the Group's operations. Under the terms of the Share Option Scheme, the Board may, at its discretion, grant options to any full-time employee and any Director or its subsidiaries, including any executive, non-executive or independent non-executive directors. The total number of shares which may fall to be issued upon exercise of all of the outstanding options granted and yet to be exercised under the Share Option Scheme and other schemes of the Company must not exceed 30% of the shares in issue from time to time. The Share Option Scheme will remain in force for a period of ten years commencing the date on which the scheme becomes unconditional.

The Share Option Scheme was adopted by the shareholders of the Company at the annual general meeting of the Company held on 8 May 2012.

The definition of eligible person in the Share Option Scheme include any suppliers, consultants, agents, advisors and distributors who, in the sole discretion of the Board, have contributed or may contribute to the Group. The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue as at the date of approval of the Share Option Scheme, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders.

Where options are proposed to be granted to a connected person who is also a substantial shareholder or an independent non-executive Director or their respective associates and if such grant would result in the total number of shares issued and to be issued upon exercise of the options granted and to be granted (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total issued shares and having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK$5 million, then the proposed grant must be subject to the approval of shareholders of the Company taken on a poll in a general meeting. All connected persons of the Company must abstain from voting at such general meeting.

The exercise price for shares under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a Business Day, (ii) the average of the closing prices of the shares as stated in the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant; and (iii) the nominal value of the share on the date of grant. Any options granted under the Share Option Scheme shall end in any event not later than ten years from the Commencement Date (as defined in the Share Option Scheme). A nominal value of HK$1.00 is payable on acceptance of each grant of options.

No share options were granted by the Company and no share options were exercised or lapsed during the period under review.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 September 2014, the Company had been notified that the following substantial shareholders having the following interests and short positions, being 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, in the Company. These interests are shown in addition to those disclosed above in respect of the Directors and chief executives:

The approximate percentage of interest set out below is based on 820,897,672 ordinary shares in issue as at 30 September 2014.

(i) Long position in the ordinary shares of HK$0.0625 each in the Company as at 30 September 2014:

Name of shareholders	Type of interests	Number of the shares held	Approximate percentage of interests
Mr. Kang Yanbo	Corporate	113,576,196	13.84%
Excel Sino Investments Limited	Beneficial *(Note)*	113,576,196	13.84%

Note: As at 30 September 2014, Excel Sino Investments Limited, a company incorporated in the British Virgin Islands, is wholly and beneficially owned by Mr. Kang Yanbo. Mr. Kang Yanbo is deemed to be interested in the 113,576,196 Shares.

(ii) Long position in the underlying shares or debentures of the Company as at 30 September 2014:

Name	Type of interests	Description of derivatives	Number of underlying shares can be converted	Approximate percentage of interests
Lehman Brothers (in liquidation)	Beneficial	The Bonds in the principal amount of HK$246,250,000	Nil *(Note)*	N/A

Note: The conversion rights attached to the Bonds have expired after the original maturity date (i.e. 31 October 2010).

On 16 October 2014, all the Bonds were cancelled.

Save as disclosed above, as at 30 September 2014, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who had an interest, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or any other substantial shareholders whose interests or short position were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

COMPETITION AND CONFLICT OF INTERESTS

During the period under review, none of the Directors, significant shareholders, substantial shareholders and any of their respective associates had been engaged in any business that competed or might compete directly or indirectly, with the business of the Group, or had or might have any other conflicts of interest with the Group.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary role and function of the Audit Committee, among other things, are to (i) review the financial controls, internal controls and risk management systems of the Group; (ii) review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; and (iii) review the financial statements and the quarterly, interim and annual reports of the Group. During the period under review, the Audit Committee comprised three members, Mr. Wan Tze Fan Terence, Mr. Chung Chin Keung and Mr. Wang Xiao Bing who are the independent non-executive Directors of the Company. The Audit Committee has reviewed the Group's unaudited results for the nine months ended 30 September 2014 and has provided advice and comments thereon.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established on 1 June 2005. The primary role and function of the Remuneration Committee is to consider and recommend to the Board on the Group's remuneration policy and structure for the remuneration of all executive Directors and senior management and to review and determine the remuneration packages of the executive Directors and senior management. During the period under review, the Remuneration Committee comprises three members, Mr. Wan Tze Fan Terence, Mr. Chung Chin Keung and Mr. Wang Xiao Bing who are the independent non-executive Directors of the Company.

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 22 March 2012. The primary role and function of the Nomination Committee, among other things, are to (i) review the structure, size and composition of the Board at least once a year and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) assess the independence of the independent non-executive Directors; and (iii) make recommendations to the Board on appointment and re-appointment of Directors. During the period under review, the Nomination Committee comprises three members, Mr. Wan Tze Fan Terence, Mr. Chung Chin Keung and Mr. Wang Xiao Bing who are the independent non-executive Directors of the Company.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company had not redeemed any of its ordinary shares during the nine months ended 30 September 2014. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's ordinary shares during the nine months ended 30 September 2014.

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

Hong Kong, 11 November 2014

the English translation of Chinese names or words in this report, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

As at the date of this report, the Board comprises Ms. MA Zheng, Mr. PAN Feng and Mr. WONG Pui Yiu 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.