



8 June 2010

To the Disinterested Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL INVOLVING OFF-MARKET
REPURCHASE OF PREFERRED SHARES**

We refer to the circular of the Company dated 8 June 2010 (the "Circular") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

We have been appointed by the Board as members of the Independent Board Committee and to advise the Disinterested Shareholders as to whether the terms of the Agreement (including the Share Repurchase) are fair and reasonable so far as the Disinterested Shareholders are concerned and whether the Transactions are in the interests of the Company and its Shareholders as a whole. Details of which are set out in the letter from the Board contained in the Circular.

Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Disinterested Shareholders regarding the fairness and reasonableness of the Agreement (including the Share Repurchase). Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 24 to 37 of the Circular.

Having considered the advice of Vinco Capital set out on pages 24 to 37 of the Circular, we are of the opinion that the terms of the Agreement (including the Share Repurchase) are on normal commercial terms and are fair and reasonable so far as the Disinterested Shareholders are concerned and that the Transactions are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Disinterested Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee
China Primary Resources Holdings Limited

Mr. WAN Tze Fan Terence
Independent
Non-executive Director

Mr. LIU Weichang
Independent
Non-executive Director

Mr. CHUNG Chin Keung
Independent
Non-executive Director



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