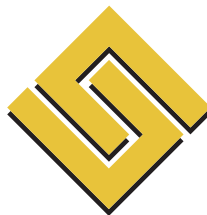


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*This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



## **CHINA METAL RESOURCES HOLDINGS LIMITED**

### **中國金屬資源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8071)

### **PLACING OF NEW SHARES AND RESUMPTION OF TRADING**

**Placing Agent**



**信達國際融資有限公司**  
CINDA INTERNATIONAL CAPITAL LIMITED

On 15 March 2010, the Company entered into the Placing Agreement with the Placing Agent in relation to the Placing. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agent on a best-effort basis, a maximum of 559,200,000 new Shares to Placees at HK\$0.105 per Share.

Assuming maximum of 559,200,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 15.4% of the existing issued share capital of the Company of 3,625,855,247 Shares; and (ii) approximately 13.4% of the Company's issued share capital of 4,185,055,247 Shares as enlarged by completion of the Placing.

The maximum net proceeds from the Placing (after deducting the placing commission, professional fees and other related expenses payable by the Company) are approximately HK\$58.0 million which are intended to be used for general working capital of the Group and/or funding for any possible acquisition or investment plan of the Group in the future.

The Placing is conditional upon:–

- (a) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (b) the obligations of the Placing Agent having become unconditional and not being terminated in accordance with the terms of the Placing Agreement.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 15 March 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 16 March 2010.

## **THE PLACING AGREEMENT**

### **Date**

15 March 2010

### **Parties**

- (1) the Company; and
- (2) the Placing Agent.

The Placing Agent has conditionally agreed to place a maximum of 559,200,000 new Shares to Placees on a best effort basis and will receive a placing commission of 0.75% on the gross proceeds of the actual number of Placing Shares being placed by the Placing Agent. The Directors are of the view that the placing commission is fair and reasonable.

## **Placees**

The Placees (and their respective ultimate beneficial owners) will be third parties independent of and not connected persons of the Company or any director, chief executive, management shareholders, controlling shareholders or substantial shareholders (as defined under the GEM Listing Rules) of any member of the Group or any associate of them or any connected persons of the Company. The Company will issue a further announcement upon completion of the Placing and disclose the details of the Placees if there are less than six placees.

## **Placing Shares**

Assuming maximum of 559,200,000 Placing Shares are successfully placed, the Placing Shares represent (i) approximately 15.4% of the existing issued share capital of the Company of 3,625,855,247 Shares; and (ii) approximately 13.4% of the Company's issued share capital of 4,185,055,247 Shares as enlarged by completion of the Placing.

## **Ranking of the Placing Shares**

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges and encumbrances and together with all rights attaching to them including the right to receive all dividends declared, made or paid on or after the date of allotment and issue.

## **Placing Price**

The Placing Price of HK\$0.105 represents (i) a discount of approximately 19.8% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.6% to the average closing price of approximately HK\$0.129 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days including the Last Trading Day.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the recent trading price of the Shares. The Board also considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **General Mandate**

The Placing Shares will be issued under the General Mandate to allot, issue and deal with the Shares granted to the Directors by a resolution of the Shareholders passed at the Company's annual general meeting held on 9 April 2009. Under the General Mandate, the Company is authorized to issue 559,300,049 Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. The Placing and the issue of new Shares are not subject to Shareholders' approval.

## **Conditions of the Placing**

The Placing is conditional upon:

- (a) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (b) the obligations of the Placing Agent having become unconditional and not being terminated in accordance with the terms of the Placing Agreement.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

If any of the conditions is not fulfilled by 30 April 2010 (or such later date as may be agreed by the Placing Agent), the Placing will lapse and the obligations and liabilities of the Company and the Placing Agent under the Placing shall be null and void and the Company and the Placing Agent shall be released from all rights and obligations pursuant to the Placing.

## **Completion of the Placing**

Completion of the Placing will take place on the third business day after the fulfillment of the conditions as set out in the Placing Agreement or such other date as may be agreed between the Company and the Placing Agent.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **Termination**

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to the Completion Date:

- (1) in the reasonable opinion of the Placing Agent, there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

- (2) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (3) any suspension of dealings in the Shares for more than 5 consecutive trading days (other than a temporary suspension pending release of this announcement); or
- (4) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement pursuant to paragraphs (1) to (4) above, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for:

- (a) any antecedent breach of any obligation under the Placing Agreement; and
- (b) any outstanding liabilities for payment by the Company to the Placing Agent under the terms of the Placing Agreement.

## **OTHER INFORMATION ON THE PLACING**

### **Reasons for the Placing**

The Group is principally engaged in the exploration of mines, staff secondment and trading of computer hardware and software business.

In view of the current market conditions, the Board considers that the Placing represents a good opportunity to raise additional capital for the Company to strengthen the capital base and enhance the liquidity position for its future business developments. The Directors consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Use of proceeds

Assuming the Placing Shares are successfully placed, the maximum gross proceeds from the Placing are approximately HK\$58.7 million. The maximum net proceeds from the Placing (after deducting the placing commission, professional fees and other related expenses payable by the Company) are approximately HK\$58.0 million which are intended to be used for general working capital of the Group and/or funding for any possible acquisition or investment plan of the Group in the future. The net proceeds raised per Placing Share are approximately HK\$0.104.

## Fund raising activities in the past twelve months

The Company did not have any fund raising activities on any issue of equity securities in the past twelve months prior to the date of this announcement.

## Possible effect on shareholding structure

The existing and enlarged shareholding structure of the Company as at the date of this announcement and immediately after Completion (assuming there are no other changes in the issued share capital of the Company) are set out below:

Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	%	Number of Shares	%
Mr. Leung Ngai Man ( <i>Note 1</i> )	744,924,400	20.54	744,924,400	17.80
Mr. Ng Kwok Chu, Winfield ( <i>Note 2</i> )	472,500	0.01	472,500	0.01
<b>Public Shareholders</b>				
Existing Shareholders	2,880,458,347	79.45	2,880,458,347	68.83
Placees	<u>—</u>	<u>0.00</u>	<u>559,200,000</u>	<u>13.36</u>
Total	<u>3,625,855,247</u>	<u>100.00</u>	<u>4,185,055,247</u>	<u>100.00</u>

### Notes:

1. Mr. Leung Ngai Man is an executive Director. Out of 744,924,400 Shares held by Mr. Leung, 1,474,400 Shares are held by Speedy Well Investments Limited which is wholly and beneficially owned by Mr. Leung.
2. Mr. Ng Kwok Chu, Winfield is an executive Director.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 15 March 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 16 March 2010.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Metal Resources Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the third business day next following the fulfilment of all the conditions specified in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 9 April 2009 to allot, issue and deal with the Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Last Trading Day”	12 March 2010, being the last trading day for the Shares prior to this announcement
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“Placees”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing Agreement
“Placing Agent”	Cinda International Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 15 March 2010 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.105 per Placing Share
“Placing Shares”	up to an aggregate of 559,200,000 new Shares to be allotted and issued under the Placing
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**China Metal Resources Holdings Limited**  
**Ng Kwok Chu, Winfield**  
*Executive Director*

Hong Kong, 15 March 2010



*As at the date of this announcement, the executive Directors are Mr. Leung Ngai Man, Mr. Ng Kwok Chu, Winfield and Ms. Wu Wei Hua; and the independent non-executive Directors are Dr. Leung Wai Cheung, Mr. Gao Shikui and Mr. Cai Wei Lun.*

*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: (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 “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven (7) days from the date of its publication and on the Company’s website at [www.cmr8071.com](http://www.cmr8071.com).*