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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Metal Resources Holdings Limited** (“Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

This circular, for which the directors of the Company (“**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 (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) 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 circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



## 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)**

### PROPOSALS FOR (I) GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES (II) REFRESHMENT OF THE GENERAL SCHEME LIMIT (III) RE-ELECTION OF DIRECTOR AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the annual general meeting of the Company (“**AGM**”) to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Thursday, 9 April 2009 at 11:00 a.m. is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof to the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

This circular 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).

10 March 2009

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## CHARACTERISTICS OF GEM

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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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

|                                |   |
|--------------------------------|---|
| “AGM”                          | the annual general meeting of the Company to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Thursday, 9 April 2009 at 11:00 a.m., a notice of which is set out on pages 13 to 16 of this circular   |
| “Articles”                     | the articles of association of the Company as amended from time to time   |
| “Board”                        | the board of Directors  |
| “Companies Law”                | the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands  |
| “Company”                      | China Metal Resources Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on GEM   |
| “Director(s)”                  | the director(s) of the Company  |
| “Existing Share Option Scheme” | the share option scheme adopted by the Company on 29 June 2007  |
| “Extension Mandate”            | a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate  |
| “GEM”                          | the Growth Enterprise Market of the Stock Exchange  |
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM  |
| “General Scheme Limit”         | the total number of Shares which may be issued upon exercise of all options to be granted under the Existing Share Option Scheme and any other share option schemes of the Company in aggregate not exceeding 10% of the Shares in issue as at the date of approval of the Existing Share Option Scheme |
| “Group”                        | the Company and its subsidiaries from time to time  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC  |

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## DEFINITIONS

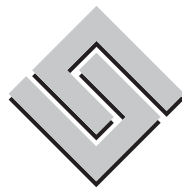
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|---------------------------|---|
| “Issue Mandate”           | a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM |
| “Last Renewal Resolution” | the ordinary resolution passed at the extraordinary general meeting of the Company held on 13 June 2008 for the renewal of the General Scheme Limit   |
| “Latest Practicable Date” | 6 March 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for the inclusion in this circular   |
| “Old Share Option Scheme” | the share option scheme adopted by the Company on 19 February 2001  |
| “PRC”                     | the People’s Republic of China  |
| “Repurchase Mandate”      | a general and unconditional mandate to the Directors to enable them to repurchase the Shares of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM                     |
| “Share(s)”                | ordinary share(s) of HK\$0.001 each in the capital of the Company   |
| “Share Consolidation”     | the share consolidation of every 2 shares of HK\$0.0005 each in the then issued and unissued capital of the Company into 1 Share approved by the Shareholders on 20 October 2008 and took effect on 21 October 2008   |
| “Shareholder(s)”          | the holder(s) of the Shares of the Company  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong   |
| “%”                       | per cent.   |

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LETTER FROM THE BOARD

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**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)**

**Executive Directors:**

Mr. Leung Ngai Man (*Chairman*)

Mr. Ng Kwok Chu, Winfield

Ms. Wu Wei Hua

**Independent non-executive Directors:**

Dr. Leung Wai Cheung

Mr. Chan Sing Fai

Mr. Liu Jia Qing

**Registered office:**

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

**Head office and principal place of  
business in Hong Kong:**

Unit 1006, 10th Floor

Tower One Lippo Centre

89 Queensway

Hong Kong

10 March 2009

*To the Shareholders and, for information only,  
the holders of options and convertible bonds of the Company*

Dear Sir or Madam,

**PROPOSALS FOR  
(I) GRANT OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES  
(II) REFRESHMENT OF THE GENERAL SCHEME LIMIT  
AND  
(III) RE-ELECTION OF DIRECTOR**

**1. INTRODUCTION**

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM which include, among other resolutions, the approval of the (i) grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (ii) refreshment of the General Scheme Limit; and (iii) re-election of Director and to give you notice of the AGM.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 31 March 2008, the Directors were granted a general mandate to allot, issue and deal with Shares and a general mandate to purchase Shares on GEM. These mandates will expire at the conclusion of the AGM. At the AGM, among other businesses, resolutions will be proposed to grant the Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors.

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; or (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Subject to the passing of the proposed resolution for the grant of the Issue Mandate and on the basis that no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the AGM, the Directors will be authorised to issue up to a maximum of 559,300,049 Shares pursuant to the Share Issue Mandate based on the number of issued Shares of 2,796,500,247 as at the Latest Practicable Date.

Under the GEM Listing Rules, the Company is required to give to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement required by the GEM Listing Rules is set out in the Appendix to this circular.

### 3. REFRESHMENT OF THE GENERAL SCHEME LIMIT

The Company adopted the Old Share Option Scheme on 19 February 2001, pursuant to which the Directors were authorised to grant to the full-time employees of the Group, including directors of the Group, options to subscribe for shares in the Company. As at the Latest Practicable Date, no share options were outstanding under the Old Share Option Scheme.

Pursuant to the resolutions passed at the annual general meeting of the Company held on 29 June 2007, the Company terminated the Old Share Option Scheme and adopted the Existing Share Option Scheme in order to comply with the requirements of Chapter 23 of the GEM Listing Rules.

Under the rules of the Existing Share Option Scheme:

- (a) the maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Existing Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time;

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## LETTER FROM THE BOARD

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- (b) no options may be granted under the Existing Share Option Scheme and any other share option schemes of the Company if it results in the General Scheme Limit being exceeded, unless the approval of Shareholders has been obtained;
- (c) unless approved by the Shareholders at a general meeting, the total number of Shares issued and to be issued upon exercise of options granted to each eligible participant of the Existing Share Option Scheme (including both exercised and outstanding options) in any twelve months period shall not exceed 1% of the issued share capital of the Company; and
- (d) the Company may seek approval from the Shareholders in general meeting for “refreshing” the General Schemes Limit under the Existing Share Option Scheme and any other share option schemes of the Company. The total number of Shares which may be issued upon exercise of all options to be granted under the Existing Share Option Scheme as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of the “refreshed” General Scheme Limit. Options previously granted under the Existing Share Option Scheme (including options outstanding, cancelled, lapsed or exercised in accordance with the Existing Share Option Scheme) will not be counted for the purpose of calculating the General Scheme Limit as “refreshed”.

As at the Latest Practicable Date, options entitling the holders thereof to subscribe for an aggregate of 216,180,000 Shares had been granted in accordance with the terms of the Existing Share Option Scheme since its adoption.

As at the date of passing of the Last Renewal Resolution, the General Scheme Limit was 257,348,685 shares of HK\$0.0005 each. Upon the Share Consolidation becoming effective, the General Scheme Limit has been adjusted to 128,674,342 Shares. As at the Latest Practicable Date, options entitling the holders thereof to subscribe for 127,180,000 Shares had been granted since the passing of the Last Renewal Resolution and none of these options have been exercised nor lapsed nor been cancelled. Unless the General Scheme Limit is “refreshed”, only up to 1,494,342 Shares may be issued pursuant to the grant of further options under the Existing Share Option Scheme.

The purpose of the Existing Share Option Scheme is to motivate and give incentives to the eligible participants as defined in the Existing Share Option Scheme for their contribution to the Group. Given that the existing General Scheme Limit has almost been fully granted, the Existing Share Option Scheme cannot continue to serve the intended purpose for the benefits of the Group unless the General Scheme Limit is “refreshed” in accordance with the rules of the Existing Share Option Scheme.

If the refreshment of the General Scheme Limit is approved at the AGM based on the 2,796,500,247 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to grant options for up to a total of 279,650,024 Shares under the “refreshed” General Scheme Limit, representing 10% of the total number of Shares in issue as at the date of the AGM. The total number of Shares which may be issued upon exercise of the “refreshed” General Scheme Limit of 279,650,024



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## LETTER FROM THE BOARD

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Shares together with all outstanding options as at the Latest Practicable Date carrying the right to subscribe for 216,180,000 Shares is 495,830,024 Shares, representing approximately 17.73% of the total number of Shares in issue as at the date of the AGM. Assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, such percentage falls below the 30% limit as required by Rule 20.03 of the GEM Listing Rules.

The Directors consider that it is in the interests of the Company and the Shareholders as a whole that it enables the Company to reward and motivate participants of the Existing Share Option Scheme to contribute to the success of the Group. An ordinary resolution, as special business, will be proposed at the AGM to approve the refreshing of the General Scheme Limit. None of the Shareholders is required to abstain from voting at the AGM pursuant to Rule 23.03 of the GEM Listing Rules.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, any Shares, representing 10% of the issued share capital of the Company as at the date of the AGM approving the “refreshed” General Scheme Limit, to be issued upon the exercise of the options granted under the “refreshed” General Scheme Limit of the Existing Share Option Scheme.

#### 4. RE-ELECTION OF DIRECTOR

In accordance with Articles 87(1) and (2) of the Articles, Mr. Leung Ngai Man (“**Mr. Leung**”) and Mr. Chan Sing Fai will retire as Directors by rotation at the AGM and, being eligible, are entitled to offer themselves for re-election as Directors. Mr. Leung will offer himself for re-election as Director. Mr. Chan Sing Fai will not offer himself for re-election due to the fact that Mr. Chan Sing Fai would like to spend more time pursuing his business development.

We set out below the biographical details of Mr. Leung:

##### *Qualifications and experience*

**Mr. Leung Ngai Man**, aged 47, joined the Group on 2 April 2007 and was appointed as the chief executive officer of the Company on 29 June 2007 and subsequently re-designated as the chairman of the Board on 31 March 2008. Mr. Leung is also directors of various subsidiaries of the Group. He has over 22 years’ experience in the areas of trading, property development and management in the PRC. Mr. Leung has established an extensive business and social network and relationship with numerous PRC companies. He commenced business in the property development sector in the 1990s. Mr. Leung is also the chairman of the board and an executive director of Sino Prosper Holdings Limited, a company listed on the Main Board of the Stock Exchange.

Save for his co-directorship with Mr. Chan Sing Fai and Dr. Leung Wai Cheung in Sino Prosper Holdings Limited, Mr. Leung is not related to any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company.

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## LETTER FROM THE BOARD

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### *Interests in Shares*

As at the Latest Practicable Date, Mr. Leung was interested in 48,624,400 Shares of which 17,150,000 Shares were beneficially owned by Mr. Leung and 31,474,400 Shares were held by Speedy Well Investments Limited (“**Speedy Well**”) which was wholly and beneficially owned by Mr. Leung. He was also interested in 580,000,000 Shares and 669,675,000 underlying Shares in respect of the convertible bonds issued by the Company in August 2008 and such Shares and underlying Shares were pledged (“**Share Pledge**”) to Kingston Finance Limited (“**Kingston**”) pursuant to (1) a share charge agreement dated 17 December 2008; and (2) a loan agreement and memorandum dated 17 December 2008, entered into between Kingston and Mr. Leung.

### *Others*

Mr. Leung has entered into a service contract with the Group with a term of two years from June 2008. The remuneration in connection with Mr. Leung’s position as an executive director is HK\$200,000 per month with one month bonus which was determined by reference to his duties and responsibilities with the Group. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

There is no information relating to Mr. Leung that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there is no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

## 5. AGM

The notice of the AGM is set out on pages 13 to 16 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

At the AGM, resolutions will be proposed to approve, among other matters, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors, the refreshment of the General Scheme Limit and the re-election of Director.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time of the AGM or any adjournment thereof to the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATIONS

The Directors are of the opinion that the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the refreshment of the General Scheme Limit and the re-election of Director referred to in this circular are in the best interests of the Company and the Shareholders and recommend you to vote in favour of all the resolutions to be proposed at the AGM.

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

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

## **1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 2,796,500,247 Shares in issue. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 279,650,024 Shares.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

## **4. SOURCE OF FUNDS**

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the memorandum of association of the Company and the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or out of capital on if immediately following the date the payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2008, being the date of its latest published audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as is known to the Directors, the shareholding interests in the Company of the substantial Shareholder (within the meaning of the GEM Listing Rules) are as follows:

| <b>Name of substantial Shareholder</b> | <b>Capacity</b>                             | <b>Number of Shares held</b>     | <b>Approximate %</b> |
|--|---|----------------------------------|----------------------|
| Kingston ( <i>Note 1</i> )             | Person having a security interest in Shares | 580,000,000<br>( <i>Note 2</i> ) | 20.74                |

*Notes:*

- Kingston is a company owned by Chu Yuet Wah as to 51% and Ma Siu Fong as to 49%.
- These Shares were pledged by Mr. Leung to Kingston pursuant to the Share Pledge.

Assuming that there would not be any change in the issued share capital of the Company prior to the repurchase of Shares and that the above substantial Shareholder would not dispose of its Shares nor acquire additional Shares prior to any repurchase of Shares, if the Repurchase Mandate were exercised in full, the percentage shareholding of the above substantial Shareholder would be increased as follows:

| <b>Name of substantial Shareholder</b> | <b>Capacity</b>                             | <b>Approximate % prior to the exercise of Repurchase Mandate in full</b> | <b>Approximate % after the exercise of Repurchase Mandate in full</b> |
|--|---|--|---|
| Kingston                               | Person having a security interest in Shares | 20.74  | 23.04   |

On the above basis, the exercise of the Repurchase Mandate in full would not trigger any general offer on the part of the substantial Shareholder named above under the Takeovers Code.

An exercise of the Repurchase Mandate whether in whole or in part will not result in less than 20% of the Shares being held by the public.

**6. SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding (and including) the Latest Practicable Date are as follows:

|   | Price per Share        |                       |
|---|------------------------|-----------------------|
|   | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2008</b>                               |                        |                       |
| March                                     | 0.570*                 | 0.296*                |
| April                                     | 0.366*                 | 0.220*                |
| May                                       | 0.494*                 | 0.318*                |
| June                                      | 0.420*                 | 0.284*                |
| July                                      | 0.310*                 | 0.232*                |
| August                                    | 0.292*                 | 0.192*                |
| September                                 | 0.220*                 | 0.120*                |
| October                                   | 0.190*                 | 0.080                 |
| November                                  | 0.113                  | 0.070                 |
| December                                  | 0.079                  | 0.055                 |
| <b>2009</b>                               |                        |                       |
| January                                   | 0.065                  | 0.038                 |
| February                                  | 0.250                  | 0.187                 |
| March (up to the Latest Practicable Date) | 0.043                  | 0.035                 |

\* The share price has been adjusted due to the Share Consolidation.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

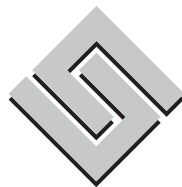
**8. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws of the Cayman Islands.

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## NOTICE OF AGM

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### 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)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Metal Resources Holdings Limited (“**Company**”) will be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Thursday, 9 April 2009 at 11:00 a.m. to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (“**Directors**”) of the Company and the Company’s auditors for the year ended 31 December 2008;
2. to re-elect Mr. Leung Ngai Man, the retiring Director, as Director and to authorise the board (“**Board**”) of Directors to fix the Directors’ remuneration;
3. to re-appoint Grant Thornton as the Company’s auditors to hold office until conclusion of the next annual general meeting at a fee to be agreed with the Board;

and, as special businesses, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification):

#### ORDINARY RESOLUTIONS

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares of HK\$0.001 each (each, a “**Share**”) in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;



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## NOTICE OF AGM

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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5. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to repurchase Shares in the capital of the Company on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of the Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:

    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
6. **“THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”
7. **“THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, Shares in the share capital of the Company to be issued pursuant to the exercise of the

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options which may be granted under the Refreshed General Scheme Limit (as hereinafter defined), the refreshment of the general scheme limit of the existing share option scheme of the Company adopted on 29 June 2007 up to 10% of the total number of Shares in issue as at the date of passing of this resolution (“**Refreshed General Scheme Limit**”) be and is hereby approved and any Director be and is hereby authorised to do all such acts and execute such document(s) to effect the Refreshed General Scheme Limit”.

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

Hong Kong, 10 March 2009

As at the date hereof, the Board comprised the following Directors:

Executive Directors : Mr. Leung Ngai Man  
Mr. Ng Kwok Chu, Winfield  
Ms. Wu Wei Hua

Independent non-executive Directors : Dr. Leung Wai Cheung  
Mr. Chan Sing Fai  
Mr. Liu Jia Qing

Head office and principal place of  
business in Hong Kong : Unit 1006, 10th Floor  
Tower One Lippo centre  
89 Queensway  
Hong Kong

*Notes:*

- (a) Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he/she is the holder of two or more Shares, more than one proxy to attend and vote on his/her behalf in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
- (b) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the above meeting or any adjournment thereof.
- (c) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (d) In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.