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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)

ANNOUNCEMENT RELATING TO THE CONVERSION OF CONVERTIBLE BONDS

Reference is made to the Circular, the announcement and the Monthly Announcement of the Company dated 13 May 2008, 26 August 2008 and 4 September 2008 respectively in relation to, among other things, the issue and allotment of the Convertible Bonds.

Reference is made to the circular (“**Circular**”), the announcement and the monthly announcement (“**Monthly Announcement**”) of China Metal Resources Holdings Limited (“**Company**”) dated 13 May 2008, 26 August 2008 and 4 September 2008 respectively in relation to, among other things, the issue and allotment of the Convertible Bonds. Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as in the Circular.

The Directors noted that conversion of the Convertible Bonds was requested by the Bondholder on 22 September 2008 and 700,000,000 Conversion Shares (“**New Conversion Shares**”) were issued by the Company on 25 September 2008, representing approximately 22.08% of the total issued share capital of the Company as at 22 September 2008 or approximately 18.08% of the enlarged issued share capital by the conversion of the Convertible Bonds as at the date of this announcement. The cumulative amount of the New Conversion Shares issued and the Conversion Shares issued on 29 August 2008 (i.e. 700,000,000 Conversion Shares + 103,000,000 Conversion Shares = 803,000,000 Conversion Shares, representing approximately 25.32% of the total issued share capital of the Company as disclosed in the Monthly Announcement) pursuant to the conversion of the Convertible Bonds have exceeded 5% of the total issued share capital of the Company as disclosed in the Monthly Announcement. Further details of which are set out as follows:

(a) Conversion of the Convertible Bonds subsequent to the date of the Monthly Announcement:

Date of conversion	Number of new Shares issued	Conversion Price (HK\$)
25 September 2008	700,000,000	0.40

(b) Amount of outstanding Convertible Bonds after the above conversion: HK\$1,224,540,000

(c) The total number of Shares issued pursuant to other transactions subsequent to the date of the Monthly Announcement: Nil

(d) The total issued share capital of the Company as at the date of the Monthly Announcement and the date of this announcement:

	Number of issued shares of par value of HK\$0.0005 each	Issued share capital (HK\$)
As at the date of the Monthly Announcement	3,171,000,494	1,585,500
Total number of new Shares issued subsequent to the date of the Monthly Announcement and up to the date of this announcement pursuant to the conversion of Convertible Bonds	700,000,000	350,000
As at the date of this announcement	<u>3,871,000,494</u>	<u>1,935,500</u>

CHANGES IN SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of the Monthly Announcement and the date of this announcement after the issue and allotment of the Conversion Shares (with Mr. Leung Ngai Man (“**Mr. Leung**”) and parties acting in concert with him holding not more than 29% of the issued share capital of the Company) are as follows:

Name of Shareholder	As at the date of the Monthly Announcement		As at the date of this announcement	
	No. of Shares	%	No. of Shares	%
Mr. Leung and parties acting in concert with him	405,948,800	12.80	1,105,948,800	28.57
The Directors (excluding Mr. Leung)	43,445,000	1.37	43,445,000	1.12
Public Shareholders	2,721,606,694	85.83	2,721,606,694	70.31
Total	<u>3,171,000,494</u>	<u>100.00</u>	<u>3,871,000,494</u>	<u>100.00</u>

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

Hong Kong, 25 September 2008

As at the date of this announcement, the executive Directors are Messrs. Leung Ngai Man and Ng Kwok Chu, Winfield and Ms. Wu Wei Hua; and the independent non-executive Directors are Dr. Leung Wai Cheung, Messrs. Chan Sing Fai and Liu Jia Qing.

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 for a minimum period of seven (7) days from the date of its publication and on the Company’s website at www.cmr8071.com.