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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**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

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#### **POSSIBLE ACQUISITION**

The Directors are currently under negotiation with Independent Third Parties for a possible acquisition (the “**Possible Acquisition**”) of a PRC company engaged in the provision of technology development, logistics services, distribution management and marketing for lottery sales system which, if materialise, will be expected to cost about RMB15 million and will be funded by the net proceeds from the subscription as disclosed in the announcement of the Company dated 26 August 2010. The Directors are of the view that the Possible Acquisition, if materialise, will consolidate the Company’s presence and business development in the provision of services to the PRC lottery market, which is in line with the long term strategy of the Company.

**The Board wishes to emphasis that no legally binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, the Possible Acquisition will not be expected to constitute a notifiable transaction on the part of the Company under the GEM Listing Rules. Shareholders and investors are urged to exercise caution when dealing in the Shares. Further announcement in respect of the Possible Acquisition will be made by the Company in the event the formal agreement of the Possible Acquisition has been signed.**

## INCREASE IN REGISTERED CAPITAL IN A SUBSIDIARY

In addition, pursuant to the “Notice in relation to the Temporarily Administrative Measures for Internet Lottery Sales” (關於印發《互聯網銷售彩票管理暫行辦法》的通知) (the “**Temporarily Administrative Measures**”) issued by the Ministry of Finance of the PRC on 26 September 2010, the registered capital of the co-operation units and internet sales agents for lottery sales should not be less than RMB50 million. As the Group acquired 51% interests in Shenzhen Huancai Puda Technology Company Limited (深圳環彩普達科技有限公司) (“**Shenzhen Huancai**”) in August 2010 which total registered capital is RMB40.81 million as at the date of this announcement, the Group will increase the registered capital of Shenzhen Huancai in proportion to its shareholding to meet the Temporarily Administrative Measures and the increase in the registered capital of Shenzhen Huancai will be funded by the net proceeds from the subscription as disclosed in the announcement of the Company dated 26 August 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
“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
“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 PRC
“Independent Third Party”	a person who is not a connected person of the Company and is independent of and not connected with the Company and its connected persons

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares 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

For the purpose of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rate of RMB0.86 to HK\$1.

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

Hong Kong, 21 October 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. Cai Wei Lun and Mr. Wang Jun Sui.*

*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 the information contained in this announcement 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 announcement misleading.*

*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 7 days from the date of its publication and on the Company’s website at [www.cmr8071.com](http://www.cmr8071.com).*