**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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.



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 DIRECTORS
# AND
# NOTICE OF ANNUAL GENERAL MEETING

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 Tuesday, 20 April 2010 at 11:00 a.m. is set out on pages 15 to 19 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 for a minimum period of seven (7) days from the date of its publication and on the Company's website at www.cmr8071.com.

11 March 2010

# CHARACTERISTICS OF GEM

**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.**

# CONTENTS

*In this circular, unless the context otherwise requires, the expressions below 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 Tuesday, 20 April 2010 at 11:00 a.m., a notice of which is set out on pages 15 to 19 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 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 |

| | |
|---|---|
| "Issue Mandate" | a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue and 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 |
| "Latest Practicable Date" | 3 March 2010, 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 and was terminated on 29 June 2007 |
| "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$0.001 each in the capital of the Company |
| "Shareholder(s)" | the holder(s) of the Shares |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "%" | per cent. |

# 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. Gao Shikui
Mr. Cai Wei Lun

**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

11 March 2010

*To the Shareholders and, for information only, the holders of options 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 DIRECTORS**

## 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 Directors and to give you notice of the AGM.

## 2. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 9 April 2009, 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 laws 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 725,171,049 Shares pursuant to the Issue Mandate based on the number of issued Shares of 3,625,855,247 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 I to this circular.

## 3. REFRESHMENT OF THE GENERAL SCHEME LIMIT

Pursuant to a resolution passed at the annual general meeting of the Company held on 29 June 2007, the Existing Share Option Scheme was adopted and the Old Share Option Scheme was terminated.

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. The exercise price of the share option must be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

**Old Share Option Scheme**

As the Old Share Option Scheme was terminated, no further options can be granted under the Old Share Option Scheme. As at the Latest Practicable Date, no share options were outstanding under the Old Share Option Scheme.

Apart from the Existing Share Option Scheme, the Company has no other share option scheme in place.

**Existing Share Option Scheme**

Pursuant to the Existing Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted by the Company under the Existing Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Existing Share Option Scheme or as at the date of approving the refreshment of General Scheme Limit if so refreshed. Share options lapsed in accordance with the terms of the Existing Share Option Scheme shall not be counted for the purpose of calculating the General Scheme Limit. The General Scheme Limit may be refreshed by the Shareholders in general meeting from time to time.

At the annual general meeting of the Company held on 9 April 2009 ("**2009 AGM**"), the General Scheme Limit was refreshed to allow the Company to grant share options entitling holders to subscribe for Shares not exceeding 10% of the issued share capital of the Company as at the date of approving the refreshment, which amounted to 279,650,024 share options.

Since the 2009 AGM, the Company had granted a total of 193,110,000 share options to certain consultants and an employee to allow them to subscribe for 193,110,000 Shares, which represented approximately 69.05% of the General Scheme Limit as refreshed at the 2009 AGM. None of these share options have lapsed nor have been cancelled. As at the Latest Practicable Date, 55,930,000 share options and 110,000,000 share options granted on 4 February 2009 and 18 May 2009 respectively were exercised and 86,540,024 share options are available for granting.

As more than 50% of the General Scheme Limit as refreshed on 9 April 2009 has been utilised, the Directors are of the view that in order to provide incentives and rewards to the eligible participants for their contribution or potential contribution to the Group by granting share options to them, the General Scheme Limit shall be refreshed to provide the Company with greater flexibility on recruiting and retaining high calibre employees and attracting human resources that are valuable to the Group.

As at the Latest Practicable Date, there were 3,625,855,247 Shares in issue. Assuming there is no allotment and issue of Shares and no further grant of share options under the Existing Share Option Scheme, upon the granting of a refreshment of the General Scheme Limit by the Shareholders at the AGM, the General Scheme Limit (as refreshed) will allow the Company to grant share options entitling holders thereof to subscribe for Shares not exceeding 10% of the issued share capital of the Company as at the date of approving the refreshment of the General Scheme Limit which are 362,585,524 Shares.

As at the Latest Practicable Date, there were 243,360,000 share options outstanding since the adoption of the Existing Share Option Scheme and the option holders were entitled to subscribe for 243,360,000 Shares, representing approximately 6.71% of the issued share capital of the Company. Assuming that the options carrying the right to subscribe for 362,585,524 Shares were granted and fully exercised, the total number of Shares to be issued pursuant to the exercise of share options, together with all outstanding options as at the Latest Practicable Date carrying the right to subscribe for 243,360,000 Shares, is 605,945,524 Shares, representing approximately 16.71% of the total number of Share in issue as at the Latest Practicable Date. 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% of the Shares in issue.

The refreshment of the General Scheme Limit is conditional upon:

1. the passing of an ordinary resolution by the Shareholders at the AGM to approve, among other things, the refreshment of the General Scheme Limit; and

2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, 10% of the Shares in issue at the date of approval of the refreshment of the General Scheme Limit which may be issued pursuant to the exercise of share options to be granted under the Existing Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the grant of listing of, and permission to deal in, 10% of the Shares in issue at the date of approval of the refreshment of the General Scheme Limit which may be issued pursuant to the exercise of share options to be granted under the Existing Share Option Scheme.

## 4. RE-ELECTION OF DIRECTORS

In accordance with article 86(3) of the Articles, Mr. Gao Shikui and Mr. Cai Wei Lun shall hold office until the AGM. They, being eligible, will offer themselves for re-election as Directors at the AGM. In accordance with article 87(1) and (2) of the Articles, Mr. Ng Kwok Chu, Winfield and Dr. Leung Wai Cheung will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the AGM.

Particulars of the retiring Directors are set out in Appendix II to this circular.

## 5. AGM

The notice of the AGM is set out on pages 15 to 19 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 Directors.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. To the best knowledge of the Directors, none of the Shareholders is required to abstain from voting at the AGM pursuant to Rule 23.03 of the GEM Listing Rules.

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.

## 6. RECOMMENDATION

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 Directors 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 3,625,855,247 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 362,585,524 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 2009, 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 purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a shareholder or a group of shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and becomes 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, Mr. Leung Ngai Man ("**Mr. Leung**"), an executive Director, being the substantial Shareholder, held 844,904,400 Shares, representing approximately 23.30% of the entire issued share capital of the Company. Assuming that there will be no change in the issued share capital of the Company and Mr. Leung does not dispose of his Shares nor acquire additional Shares prior to any repurchase of shares of the Company and if the Repurchase Mandate were exercised in full, the percentage shareholding of Mr. Leung would be increased to approximately 25.89% of the then issued share capital of the Company. In such circumstances, Mr. Leung would not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that there will be no change in the issued share capital of the Company and the number of Shares held by the public prior to the repurchase of shares of the Company, and if the Repurchase Mandate were exercised in full, the percentage shareholding of the public would not be less than 20% of the issued share capital of the Company. As such, the exercise of the Repurchase Mandate in full would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. It is, moreover, not the intention of the Directors to exercise the Repurchase Mandate to such an extent as would, in the circumstances, result in less than 20% of the issued share capital of the Company 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** | **Lowest** |
| | *HK$* | *HK$* |
| **2009** | | |
| March | 0.043 | 0.034 |
| April | 0.073 | 0.035 |
| May | 0.122 | 0.059 |
| June | 0.285 | 0.090 |
| July | 0.255 | 0.188 |
| August | 0.217 | 0.136 |
| September | 0.212 | 0.142 |
| October | 0.160 | 0.135 |
| November | 0.150 | 0.113 |
| December | 0.125 | 0.102 |
| **2010** | | |
| January | 0.128 | 0.106 |
| February | 0.122 | 0.102 |
| March (up to the Latest Practicable Date) | 0.113 | 0.105 |

## 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.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders at the AGM and exercised.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company or its subsidiaries nor has any such connected person undertaken not to do so in the event that the Repurchase Mandate is granted.

## PARTICULARS OF DIRECTORS FOR RE-ELECTION

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out below:

### 1. Mr. Gao Shikui

*Qualification and experience*

Mr. Gao Shikui ("**Mr. Gao**"), aged 58, joined the Group on 4 May 2009 as an independent non-executive Director. He has over 37 years' experience in the areas of exploration, development, production and sales of crude oil and has held various senior positions in different major oil companies such as China National Oil Development Company Limited and China National Offshore Oil South East Company Limited, Everbright Petroleum (International) Limited and Everbridge Oil and Gas Development Investment Company Limited. Mr. Gao has been a vice chairman and the chief executive officer of Tibet 5100 Water Company Ltd.. He is currently the chief executive officer and holds president positions in Beijing Sysmoto Interactive Communication Technology Co., Ltd..

As at the Latest Practicable Date, he did not hold any other positions with the Company or its subsidiaries. Mr. Gao was a non-executive director of Sino Prosper State Gold Resources Holdings Limited (formerly known as Sino Prosper Holdings Limited) ("**Sino Prosper**"), a company listed on the Main Board of the Stock Exchange, during 23 June 2006 to 15 November 2007. Save as disclosed herein, he did not hold directorship in any other public listed companies or any other major appointment and qualifications in the last three years before the Latest Practicable Date. Save for his co-directorship with Mr. Leung Ngai Man and Mr. Ng Kwok Chu, Winfield, being executive Directors, and Dr. Leung Wai Cheung and Mr. Cai Wei Lun, being independent non-executive Directors, in Sino Prosper during the abovementioned period, Mr. Gao is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Gao did not have any interests or underlying interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**").

*Others*

Mr. Gao has entered into a service contract with the Group with a term of one year from May 2009 subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles. He has not received any remuneration since his appointment but it will be determined by the Board with reference to his duties, his level of responsibilities, remuneration policy of the Company and the prevailing market conditions.

Save as disclosed above, there is no other information relating to Mr. Gao that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders or the Stock Exchange.

**2. Mr. Cai Wei Lun**

*Qualification and experience*

Mr. Cai Wei Lun ("**Mr. Cai**"), aged 54, joined the Group on 11 August 2009 as an independent non-executive Director. He has over 20 years' experience in the property development sector in the People's Republic of China. Mr. Cai is currently an independent non-executive director of Sino Prosper.

As at the Latest Practicable Date, he did not hold any other positions with the Company or its subsidiaries. Save as disclosed herein, Mr. Cai did not hold directorship in any other public listed companies or any other major appointments and qualifications in the last three years before the Latest Practicable Date. Save for his co-directorship with Mr. Leung Ngai Man and Mr. Ng Kwok Chu, Winfield, being executive Directors, Dr. Leung Wai Cheung and Mr. Gao, being independent non-executive Directors, in Sino Prosper, Mr. Cai does not have any relationships with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Cai did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

*Others*

Mr. Cai has entered into a service contract with the Group with a term of one year from August 2009 subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles. He has not received any remuneration since his appointment but it will be determined by the Board with reference to his duties, his level of responsibilities, remuneration policy of the Company and the prevailing market conditions.

Save as disclosed above, there is no other information relating to Mr. Cai that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders or the Stock Exchange.

**3. Mr. Ng Kwok Chu, Winfield**

*Qualification and experience*

Mr. Ng Kwok Chu, Winfield ("**Mr. Ng**"), aged 51, joined the Group on 16 October 2007 as an executive Director. He has over 21 years' experience in consumer and commercial finance in the markets of Hong Kong and the PRC. Mr. Ng is currently an independent non-executive director of Long Success International (Holdings) Limited, a company listed on GEM, and an executive director of Sino Prosper.

Apart from being director of various subsidiaries of the Company, he does not hold any other positions with the Company and its subsidiaries. Mr. Ng was as independent non-executive director of China Uptown Group Company Limited, a company listed on the Main Board of the Stock Exchange, during 15 September 2006 to 28 November 2008. Save as disclosed herein, he did not hold any other directorships in listed public companies or any other major appointments and qualifications during the last three years before the Latest Practicable Date. Save for his co-directorship with Mr. Leung Ngai Man, being executive Director, Dr. Leung Wai Cheung, Mr. Gao and Mr. Cai, being the independent non-executive Directors, in Sino Prosper, Mr. Ng does not have any relationships with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Ng was beneficially interested in 10,000,000 Shares and 472,500 underlying Shares, representing approximately 0.29% of the total issued share capital of the Company. Other than disclosed above, he did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

*Others*

Mr. Ng has entered into a service contract with the Group with a term of two years from December 2009 subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles. The emoluments in connection with Mr. Ng's position as an executive Director is HK$40,000 per month which was determined by the Board with reference to his duties and level of responsibilities with the Group.

Save as disclosed above, there is no other information relating to Mr. Ng that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders or the Stock Exchange.

**4. Dr. Leung Wai Cheung**

*Qualification and experience*

Dr. Leung Wai Cheung ("**Dr. Leung**"), aged 45, joined the Group on 16 October 2007 as an independent non-executive Director. Dr. Leung is a qualified accountant and chartered secretary with over 23 years of experience in accounting, auditing and financial management. He graduated from Curtin University with a Bachelor of Commerce Degree majoring in accounting and subsequently obtained a Postgraduate Diploma in Corporate Administration and a Master Degree in Professional Accounting from the Hong Kong Polytechnic University, a Doctor of Philosophy Degree in Management from the Empresarial University of Costa Rica and a Doctor of Education Degree from Bulacan State University. Dr. Leung is an associate member of each of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England & Wales, CPA Australia, The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Chartered Secretaries and the Taxation Institute of Hong Kong and a fellow member of the Association of Chartered Certified Accountants. He is also a visiting lecturer of the Open University of Hong Kong (LiPACE) and the Hong Kong University (SPACE). He is the chief financial officer of FlexSystem Holdings Limited, a company listed on GEM, and an independent non-executive director of each of Sino Prosper and Mobicon Group Limited which are companies listed on the Main Board of the Stock Exchange.

As at the Latest Practicable Date, he did not hold any other positions with the Company or its subsidiaries. Dr. Leung was an independent non-executive director of each of United Gene High-Tech Group Limited and Wing Hing International (Holdings) Limited, which are companies listed on the Main Board of the Stock Exchange, during 9 July 2008 to 6 November 2009 and 10 June 2003 to 30 October 2009 respectively. Save as disclosed herein, he did not hold any other directorships in listed public companies or any other major appointments and qualifications during the last three years before the Latest Practicable Date. Save for his co-directorship with Mr. Leung Ngai Man and Mr. Ng, being executive Directors, Mr. Gao and Mr. Cai, being independent non-executive Directors, in Sino Prosper, Dr. Leung does not have any relationships with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, he did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

*Others*

Dr. Leung has entered into a service contract with the Group with a term of one year from October 2009 subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles. The emoluments to Dr. Leung as an independent non-executive Director is HK$5,000 per month which was determined by the Board with reference to his duties and level of responsibilities with the Group.

Save as disclosed above, there is no other information relating to Dr. Leung that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders or the Stock Exchange.

# 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 Tuesday, 20 April 2010 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 ("**Group**") and the reports of the directors ("**Directors**") of the Company and the Company's auditors for the year ended 31 December 2009;

2. 2.1 each as a separate resolution, to re-elect the following retiring Directors as Directors:

   2.1.1 Mr. Gao Shikui

   2.1.2 Mr. Cai Wei Lun

   2.1.3 Mr. Ng Kwok Chu, Winfield

   2.1.4 Dr. Leung Wai Cheung

   2.2 to authorise the board of Directors ("**Board**") to fix the Directors' remuneration;

3. to re-appoint HLB Hodgson Impey Cheng 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;

(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)."

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 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, 11 March 2010

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

| | |
|---|---|
| Executive Directors | Mr. Leung Ngai Man *(Chairman)*<br>Mr. Ng Kwok Chu, Winfield<br>Ms. Wu Wei Hua |
| Independent non-executive Directors | Dr. Leung Wai Cheung<br>Mr. Gao Shikui<br>Mr. Cai Wei Lun |
| Head office and principal place of business in Hong Kong | Unit 1006, 10th Floor<br>Tower One Lippo Centre<br>89 Queensway<br>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.