
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any 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 and the accompanying form of proxy to the purchaser or the 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)

PROPOSED CHANGE OF AUDITORS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of the Company (“**EGM**”) to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Friday, 15 January 2010 at 11:00 a.m. is set out on pages 5 to 6 of this circular.

Whether or not you are able to attend the EGM, 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 EGM 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 EGM or any adjournment thereof should you so wish.

This circular will remain on the ‘Latest Company Announcements’ page of the website of GEM at www.hkgem.com for a minimum period of seven (7) days from the date of its publication and on the website of the Company at www.cmr8071.com.

28 December 2009

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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.

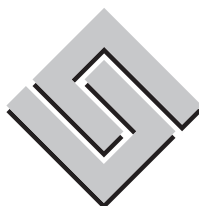
Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

DEFINITIONS

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

“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“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
“EGM”	the extraordinary general meeting of the Company to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Friday, 15 January 2010 at 11:00 a.m., a notice of which is set out on pages 5 to 6 of this circular
“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
“GT”	Grant Thornton
“HLB”	HLB Hodgson Impey Cheng
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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

28 December 2009

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

Dear Sir or Madam

PROPOSED CHANGE OF AUDITORS

1. Introduction

The Board announced on 18 December 2009 that GT resigned as the auditors of the Group with effect from 18 December 2009 as the Company and GT could not reach a consensus on audit fees for the financial year ending 31 December 2009, and the Board proposed to appoint HLB as the auditors of the Group to fill the casual vacancy following the resignation of GT and to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details of the change of auditors and to give you the notice convening of EGM at which an ordinary resolution will be proposed to be considered, and if thought fit, approve the appointment of HLB as the auditors of the Group.

2. Proposed change of auditors

The Company received a letter of resignation from GT dated 18 December 2009 in respect of their resignation as auditors of the Group with effect from the date of the said letter of resignation. GT were reappointed by the Company in the Company's last annual general meeting held on 9 April 2009 to hold office until the conclusion of the next annual general meeting of the Company.

GT confirmed in the said letter of resignation that there were no circumstances connected with their resignation which they considered should be brought to the attention of the Shareholders or creditors of the Company.

The Board now proposes to appoint HLB as the new auditors of the Group to fill the casual vacancy following the resignation of GT and to hold office until the conclusion of the next annual general meeting of the Company subject to the approval of the Shareholders at the EGM pursuant to the Articles. The Board expects that, despite of the change in the auditors of the Company, the Company is able to distribute its audited report for the financial year ending 31 December 2009 to the Shareholders in a timely manner.

The Board confirmed that save as disclosed above, there were no circumstances connected with the change of auditors of the Group which it considered should be brought to the attention of the Shareholders and creditors of the Company.

3. EGM

A notice of the EGM to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, 89 Queensway, Hong Kong on Friday, 15 January 2010 at 11:00 a.m. is set out on pages 5 to 6 of this circular. Whether or not you are able to attend the EGM, 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 EGM or any adjournment thereof to 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. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

The resolution proposed to be approved at the EGM will be taken by way of poll and an announcement will be made by the Company after the EGM on the results of the EGM.

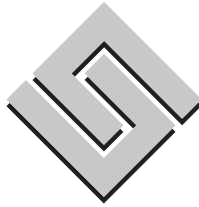
LETTER FROM THE BOARD

4. Recommendation

The Directors consider that the ordinary resolution relating to the proposed appointment of HLB as the auditors of the Group as referred to in this circular is in the interests of the Company and the Shareholders as a whole and so recommend the Shareholders to vote in favour of the ordinary resolution at the EGM.

Yours faithfully
For and on behalf of
China Metal Resources Holdings Limited
Ng Kwok Chu, Winfield
Executive Director

NOTICE OF EGM



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary 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 Friday, 15 January 2010 at 11:00 a.m. to consider and, if thought fit, passing, with or without modifications, the following resolution as ordinary resolution:

ORDINARY RESOLUTION

“**THAT** HLB Hodgson Impey Cheng be and is hereby appointed as the auditors of China Metal Resources Holdings Limited (“**Company**”) and its subsidiaries in place of the registered auditors, Grant Thornton to hold office until the conclusion of the next annual general meeting of the Company, the directors of the Company be and are hereby authorized to fix the remuneration for the appointed auditors.”

Yours faithfully

For and on behalf of

China Metal Resources Holdings Limited

Ng Kwok Chu, Winfield

Executive Director

Hong Kong, 28 December 2009

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

NOTICE OF EGM

As at the date hereof, the board of directors of the Company (“**Director(s)**”) comprised the following:

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

Independent non-executive Directors : Dr. Leung Wai Cheung, Mr. Gao Shikui and Mr. Cai Wei Lun

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 Hong Kong branch share registrar, 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.