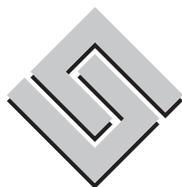

THIS CIRCULAR IS IMPORTANT AND REQUEST YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited (“Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims 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 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)

REFRESHMENT OF THE GENERAL SCHEME LIMIT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the board of Directors is set out on pages 3 to 6 of this circular.

A notice convening the extraordinary general meeting of the Company (“EGM”) to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, No. 89 Queensway, Hong Kong on Friday, 13 June 2008 at 11:30 a.m. is set out on pages 7 to 8 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.

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.

27 May 2008

CONTENTS

	<i>Page</i>
CHARACTERISTICS OF GEM	ii
DEFINITIONS	1
LETTER FROM THE BOARD	
1. Introduction	3
2. Refreshment of the General Scheme Limit	3
3. EGM	5
4. Procedures for demanding a poll	6
5. Recommendation	6
NOTICE OF EGM	7

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

DEFINITIONS

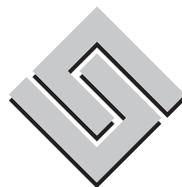
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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 with limited liability, the issued 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, No. 89 Queensway, Hong Kong on Friday, 13 June 2008 at 11:30 a.m. to approve the Refreshment
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 29 June 2007
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 May 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Notice”	the notice convening the EGM as set out on pages 7 to 8 of this circular
“Old Share Option Scheme”	the share option scheme adopted by the Company on 19 February 2001

DEFINITIONS

“PRC”	the People’s Republic of China
“Refreshment”	the proposed refreshment of the General Scheme Limit at the EGM pursuant to which the Board may grant options to eligible participants under the Existing Share Option Scheme and any other share option schemes of the Company to subscribe for up to 10% of the Shares in issue as at the date of the EGM
“Share(s)”	ordinary share(s) of HK\$0.0005 each in the capital of the Company
“Share Subdivision”	the subdivision of each share of HK\$0.01 each in the share capital of the Company into 20 Shares which had become effective on 23 August 2007
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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. 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

No. 89 Queensway

Hong Kong

27 May 2008

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

Dear Sir or Madam

REFRESHMENT OF THE GENERAL SCHEME LIMIT

1. Introduction

The purpose of this circular is to provide you with information on the Refreshment and to give you the Notice at which an ordinary resolution will be proposed to consider and, if thought fit, to approve the Refreshment.

2. Refreshment of the General Scheme Limit

The Company has 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.

LETTER FROM THE BOARD

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.

The General Scheme Limit as approved at the annual general meeting of the Company held on 29 June 2007 was 8,956,896 shares in the Company.

Under the rules of the Existing Share Option Scheme:

- (1) 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;
- (2) 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;
- (3) 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
- (4) 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 scheme 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 Share 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”.

Based on 89,568,960 shares in issue as at the date of adoption of the Existing Share Option Scheme, the General Scheme Limit was 8,956,896 shares (these 8,956,896 shares were adjusted to 179,137,920 Shares when the Share Subdivision became effective), representing 10% of the then total number of issued share capital of the Company. From the date of adoption of the Existing Share Option Scheme and up to the Latest Practicable Date, a total number of 8,900,000 options (these 8,900,000 options were adjusted to 178,000,000 when the Share Subdivision became effective) were granted. All of the options granted remain outstanding and have not been exercised.

The Directors consider that the Company should refresh the General Scheme Limit so that the Company will have more flexibility to provide incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. If the

LETTER FROM THE BOARD

Refreshment is approved at the EGM based on the 2,532,577,765 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 EGM, the Directors will be able to grant options for up to a total of 253,257,776 Shares under the “refreshed” General Scheme Limit, representing 10% of the total number of Shares in issue as at the date of the EGM. The total number of Shares which may be issued upon exercise of the “refreshed” General Scheme Limit of 253,257,776 Shares together with all outstanding options as at the Latest Practicable Date carrying the right to subscribe for 178,000,000 Shares will be 431,257,776 Shares, representing approximately 17.03% of the total number of Shares in issue as at the date of the EGM. Assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the EGM, such percentage falls below the 30% limit as required by Rule 23.03 of the GEM Listing Rules.

The Directors consider that the Refreshment will be for the benefit 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 EGM to approve the Refreshment. None of the Shareholders is required to abstain from voting at the EGM 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 EGM 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.

3. EGM

A notice convening the EGM to be held at Unit 1006, 10th Floor, Tower One Lippo Centre, No. 89 Queensway, Hong Kong is set out on pages 7 to 8 of this circular. At the EGM, an ordinary resolution will be proposed to approve the Refreshment.

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.

LETTER FROM THE BOARD

4. Procedures for demanding a poll

Pursuant to article 66 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the designated stock exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (v) if required by the rules of the designated stock exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at the meeting.

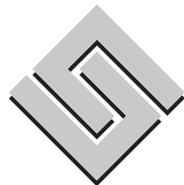
Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

5. Recommendation

The Directors are of the opinion that the Refreshment is in the best interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of the relevant resolution to be proposed at the EGM.

Yours faithfully,
By Order of the Board 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 the extraordinary general meeting of China Metal Resources Holdings Limited (“**Company**”) will be held at Unit 1006, 10th Floor, Tower One Lippo Centre, No. 89 Queensway, Hong Kong on Friday, 13 June 2008 at 11:30 a.m. to consider and, if thought fit, passing the following resolution, with or without amendment(s), as an ordinary resolution of the Company:

“**THAT** subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, shares of HK\$0.0005 each (“**Shares**”) in the share capital of China Metal Resources Holdings Limited (“**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 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, 27 May 2008

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

Executive Directors:	Messrs. Leung Ngai Man and Ng Kwok Chu, Winfield and Ms. Wu Wei Hua
Independent non-executive Directors:	Dr. Leung Wai Cheung, Messrs. Chan Sing Fai and Liu Jia Qing
Head office and principal place of business in Hong Kong:	Unit 1006, 10th Floor, Tower One Lippo Centre, No. 89 Queensway, Hong Kong

NOTICE OF EGM

Notes:

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.