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

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Nonferrous Metals Company Limited** (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the 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.

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**中國有色金屬有限公司\***  
China Nonferrous Metals Company Limited  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 8306)

**PROPOSED CHANGE OF AUDITORS**

**AND**

**NOTICE OF SPECIAL GENERAL MEETING**

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A notice convening the SGM to be held at Room 1104, Jubilee Centre, 18 Fenwick Street, Wanchai, Hong Kong, at 3:00 p.m. on Wednesday, 9 August 2017 is set out on pages 5 to 6 of this circular. A proxy form for use at the meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. no later than 3:00 p.m. on Monday, 7 August 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire and in such case, the proxy form shall be deemed to be revoked.

This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.cnm.com.hk](http://www.cnm.com.hk).

\* For identification purposes only

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## CHARACTERISTICS OF GEM

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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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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

“Appointment”	the proposed appointment of ZHONGHUI as new auditors of the Company
“BDO”	BDO Limited, the existing auditors of the Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company (as amended from time to time)
“Clearance Letter”	the professional clearance letter dated 11 July 2017 from BDO to ZHONGHUI
“Company”	China Nonferrous Metals Company Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“Director(s)”	the director(s) 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
“Latest Practicable Date”	14 July 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Proposed Change of Auditors”	the Removal and the Appointment
“Removal”	the proposed removal of BDO as the auditors of the Company
“SGM”	the special general meeting of the Company to be convened and held to consider, among other things, the Removal and the Appointment
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Letter”	the letter of termination dated 11 July 2017 from BDO to the Company
“ZHONGHUI”	ZHONGHUI ANDA CPA Limited, the proposed new auditors of the Company

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## LETTER FROM THE BOARD

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**中國有色金屬有限公司\***  
China Nonferrous Metals Company Limited  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 8306)

*Executive Directors:*

Ms. Liu Yaling  
Mr. Chan Hoi Tung

*Non-executive Director:*

Mr. Chan Wai Cheung, Admiral

*Independent non-executive Directors*

Mr. Cheng Feng  
Mr. Ng Man Kwan, Lawrence  
Mr. Siu Kai Chun

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*

Room 1104, Jubilee Centre  
18 Fenwick Street  
Wanchai  
Hong Kong

17 July 2017

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CHANGE OF AUDITORS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

References are made to the Company's announcements dated 10 July 2017 and 13 July 2017 in relation to the Proposed Change of Auditors. The purpose of this circular is to provide you with information regarding the Removal and the Appointment to enable you to make a decision on whether to vote for or against the resolutions in connection with such matters to be proposed at the forthcoming SGM.

**PROPOSED CHANGE OF AUDITORS**

BDO was re-appointed as auditors of the Group at the last annual general meeting of the Company held on 6 May 2016 to hold office until the conclusion of the next annual general meeting of the Company.

\* For identification purposes only

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## LETTER FROM THE BOARD

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In the Board's view that (i) trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2015; (ii) substantial amount of the assets of the Company are subject to litigations and contingent liabilities; and (iii) the disclaimer opinion given by BDO in the financial statements of the Company for the year ended 31 December 2015, there exists professional risk associated with the time available for BDO to perform the extensive additional audit procedures required to complete the audits for the financial year ended 31 December 2016.

On 11 July 2017, the Company received the Termination Letter and the Clearance Letter from BDO. In the Termination Letter, BDO considered that it regarded the announcement of the Company dated 10 July 2017 served as a formal notice from the Board to remove BDO as the auditor of the Company, and with effect from 10 July 2017, it accepted that it is no longer the auditor of the Company and the subsidiaries of the Company incorporated in Hong Kong (as listed below), and all its duties and responsibilities had ceased:

1. China Nonferrous Metals Holdings Limited;
2. China Nonferrous Metals Management Limited;
3. China Metals Corporation Limited;
4. China Metals Holdings Limited;
5. Sky King Development Limited;
6. China Nonferrous Investment Holdings Limited; and
7. Ever Champion Holdings Limited.

In the Clearance Letter and the Termination Letter, BDO pointed out that the Company had not requested BDO to propose an audit fee nor discussed with BDO the timetable for the audit of the Group's financial statements for the year ended 31 December 2016. In the Clearance Letter, BDO also pointed out that it had issued a disclaimer of opinion on the consolidated financial statements of the Company for the year ended 31 December 2015 for reasons as described in its independent auditor's report dated 31 March 2016.

In the Termination Letter, BDO also considered that the Company only notified it in writing on 7 July 2017 of the Board's proposal about the Removal so that it could only be able to issue the Termination Letter and the Clearance Letter until 11 July 2017. Save as disclosed above, BDO confirmed that there are no matters that need to be brought to the attention of the Shareholders.

The Company is now at the delisting stage and is required to submit a resumption proposal to the Stock Exchange to demonstrate that it has a sufficient level of operations or assets on or before 3 November 2017. Time is of very essence to the Company. Since ZHONGHUI could provide an expedient timetable to the Company, the Board considers that appointment of ZHONGHUI could better facilitate the Company to submit the resumption proposal to the Stock Exchange and it is in the best interest of the Company and Shareholders as a whole to replace BDO with ZHONGHUI. Hence, the Board proposed to remove BDO as the auditors of the Company by a special resolution at the SGM.

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## LETTER FROM THE BOARD

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The Board further proposed to appoint ZHONGHUI as auditors of the Group to fill the vacancy arising from the removal of BDO and hold office until the conclusion of the next annual general meeting of the Company. The appointment of ZHONGHUI as auditors of the Group in place of BDO is subject to the approval by an ordinary resolution at the SGM to be convened pursuant to the Bye-laws of the Company.

Pursuant to Bye-law 156(3), the Shareholders may, at any general meeting convened and held in accordance with these Bye-laws, by special resolution remove the auditor of the Company at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term.

None of the Shareholders are required to abstain from voting at the SGM. The notice of the SGM is set out in this circular.

### **SGM NOTICE AND VOTING ARRANGEMENT**

A notice of the SGM to be held at 3:00 p.m. on Wednesday, 9 August 2017 at Room 1104, Jubilee Centre, 18 Fenwick Street, Wanchai, Hong Kong is set out on pages 5 to 6 of this circular for the purpose of considering and, if thought fit, approving the Proposed Change of Auditors.

A proxy form for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM (i.e. no later than 3:00 p.m. on Monday, 7 August 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment of it, if you so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be conducted by way of poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the SGM in accordance with the byelaws of the Company. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of the Stock Exchange and the Company after the SGM.

### **RECOMMENDATION**

The Board confirms that, save as disclosed above, there are no other circumstances or matters in connections with the Proposed Change of Auditors that need to be brought to the attention of the Shareholders. The Board believes that the Proposed Change of Auditors is fair and reasonable and is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions set out in the notice of SGM.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, 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 circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

Yours faithfully,  
For and on behalf of the Board  
**China Nonferrous Metals Company Limited**  
**Liu Yaling**  
*Executive Director*

Hong Kong, 17 July 2017



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## NOTICE OF SGM

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**中國有色金屬有限公司\***  
China Nonferrous Metals Company Limited  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 8306)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of the shareholders of China Nonferrous Metals Company Limited (the “Company”) will be held at Room 1104, Jubilee Centre, 18 Fenwick Street, Wanchai, on Wednesday, 9 August 2017 at 3:00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

#### SPECIAL RESOLUTION

“**THAT** BDO Limited be and is hereby removed as auditors of the Company with immediate effect.”

#### ORDINARY RESOLUTION

“**THAT** subject to the passing of the special resolution as contained in the notice convening this meeting, ZHONGHUI ANDA CPA Limited be and is hereby appointed as the auditors of the Company in place of BDO Limited following its removal, and to hold office until the conclusion of the forthcoming annual general meeting of the Company, and that the board of directors of the Company be and is hereby authorised to fix their remuneration.”

By Order of the Board  
**China Nonferrous Metals Company Limited**  
**Liu Yaling**  
*Executive Director*

Hong Kong, 17 July 2017

*Registered office*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of business in Hong Kong*  
Room 1104, Jubilee Centre  
18 Fenwick Street  
Wanchai  
Hong Kong

\* For identification purposes only

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## NOTICE OF SGM

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*Notes:*

- (1) A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon.
- (3) In order to be valid, the form of proxy, together with a 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 share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM (i.e. no later than 3:00 p.m. on Monday, 7 August 2017 (Hong Kong time)) or any adjournment thereof.
- (4) Completion and return of a proxy form shall not preclude a member from attending and voting in person at the SGM or any adjournment thereof and in such event, the proxy form appointing a proxy shall be deemed to be revoked.
- (5) In the case of joint registered holders of shares of the Company, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
- (6) Pursuant to the Rules Governing the Listing of the Securities on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited, the voting on the ordinary resolutions at the SGM will be conducted by way of poll.
- (7) If typhoon signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the SGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at [www.cmn.com.hk](http://www.cmn.com.hk) and on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.