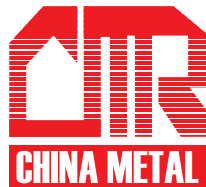


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## **CHINA METAL RECYCLING (HOLDINGS) LIMITED**

**中國金屬再生資源(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00773)**

### **SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2011**

On 27 March 2012, the Board announced and recommended the payment of a final dividend of HK 32 cents per Share for the year ended 31 December 2011 with a scrip alternative to the Shareholders whose names appeared on the register of members of the Company on 7 June 2012. This announcement is to inform the Shareholders how the scrip entitlements to the said final dividend are being arrived at. At the annual general meeting of the Company held on 30 May 2012, the Shareholders have approved the final dividend for the year ended 31 December 2011.

#### **SCRIP DIVIDEND SCHEME**

On 27 March 2012, the board of directors (“**Board**”) of China Metal Recycling (Holdings) Limited (the “**Company**”) announced and recommended the payment of a final dividend for the year ended 31 December 2011 (the “**Final Dividend**”) of HK 32 cents per ordinary share of the Company of HK\$0.0001 each (the “**Share(s)**”) to shareholders of the Company (the “**Shareholders**”) whose names appeared on the register of members of the Company on 7 June 2012. At the annual general meeting of the Company held on 30 May 2012, the declaration of the Final Dividend was approved by the Shareholders. The Final Dividend will be satisfied in cash but with an alternative to the Shareholders to elect to receive such dividend (part or all of the Final Dividend entitled) by the allotment of new Shares (the “**Scrip Dividend Shares**”), credited as fully paid in lieu of cash (the “**Scrip Dividend Scheme**”). A circular setting out details of the Scrip Dividend Scheme in relation to the Final Dividend (the “**Circular**”) will be sent to the Shareholders on or about 12 June 2012.

The Scrip Dividend Scheme is conditional upon listing approval being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing of, and permission to deal in, the Scrip Dividend Shares.

The market value of the Scrip Dividend Shares has been set at HK\$6.41 per Share, which is equivalent to the average of the closing prices of the Shares (the “**Average Closing Price**”) on the Stock Exchange for the five consecutive trading days from 4 June 2012 (being the first day that the Shares were traded ex-dividend) to 8 June 2012 (both days inclusive).

The number of Scrip Dividend Shares which the Shareholders will be entitled to in respect of the existing Shares registered in their names as at 7 June 2012 will be calculated as follows:

$$\begin{array}{rclcl} \text{Number of Scrip} & & \text{Number of} & & \text{HK\$0.32} \\ \text{Dividend Shares to} & = & \text{Shares held on} & \times & \text{(Final Dividend)} \\ \text{be received} & & \text{7 June 2012} & & \hline & & & & \text{HK\$6.41} \\ & & & & \text{(Average Closing Price)} \end{array}$$

The new Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing issued Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid after the date of issue thereof. No new class of Shares will be issued under the Scrip Dividend Scheme.

No Shareholder is entitled to be issued any fraction of a Share under the Scrip Dividend Scheme. Fractional entitlements to Shares will not be issued but will be aggregated and the resulting Shares will be sold for the benefit of the Company.

## **ELECTION FORM**

Shareholders may elect to receive the Final Dividend (i) wholly by the allotment of the Scrip Dividend Shares; or (ii) wholly in cash; or (iii) part of the Final Dividend entitled in cash and the balance be satisfied by the allotment of the Scrip Dividend Shares.

A election form for Shareholders to elect to receive the Final Dividend in Scrip Dividend Shares will be enclosed with the Circular. **Shareholders need not take any action if they wish to receive the Final Dividend they are entitled to wholly in cash.** If Shareholders elect to receive the Scrip Dividend Shares wholly in Scrip Dividend Shares or part of the Final Dividend entitled in cash and the balance in Scrip Dividend Shares, such Shareholders must complete the election form in accordance with the instructions printed thereon and lodge it with the Company’s

branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong **not later than 4: 30 p.m. on 26 June 2012**. No acknowledgement of receipt of the election form will be issued.

## **OVERSEAS SHAREHOLDERS**

While no Shareholder will be excluded from the Scrip Dividend Scheme, it is the responsibility of any Shareholder(s) wishing to join the Scrip Dividend Scheme to satisfy himself as to the full observance of the laws of the relevant territory, including obtaining any government or other consents which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in respect of such jurisdiction. For the avoidance of doubt, the Scrip Dividend Shares are not being offered to the public and the election forms are non-transferable. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers.

## **LISTING AND DEALING**

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Dividend Shares.

The register of members of the Company has been closed from 5 June 2012 to 7 June 2012, both days inclusive, during which period no transfers of shares were effected. The record date of the Scrip Dividend Scheme is 7 June 2012. The Circular and the election form are expected to be issued to the Shareholders on or about 12 June 2012 whereas the deadline for the form of election to be returned is scheduled to be 26 June 2012. It is expected that share certificates and cheques for payment of the Final Dividend will be despatched by ordinary post at the risk of those entitled thereto on or before 13 July 2012. Dealings in the Scrip Dividend Shares are expected to commence on 17 July 2012.

By Order of the Board of  
**China Metal Recycling (Holdings) Limited**  
中國金屬再生資源(控股)有限公司  
**Mr. Chun Chi Wai**  
*Chairman*

Hong Kong, 8 June 2012

*As at the date of this announcement, the executive Directors of the Company are Mr. Chun Chi Wai, Mr. Fung Ka Lun and Mr. Jiang Yan Zhang, the non-executive Director of the Company is Ms. Lai Wun Yin and the independent non-executive Directors of the Company are Mr. Chan Kam Hung, Mr. Leung Chong Shun and Mr. Yan Qi Ping.*