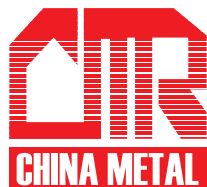


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CHINA METAL RECYCLING (HOLDINGS) LIMITED

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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of China Metal Recycling (Holdings) Limited 中國金屬再生資源(控股)有限公司 (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that the Company has granted share options (the “**Options**”) under its share option scheme adopted on 22 May 2009 to six directors of the Company and eight employees of the Group (together the “**Grantees**”) which, subject to the acceptance of the Options by the Grantees, will enable the Grantees to subscribe for an aggregate of 12,325,202 new shares of HK\$0.0001 each (the “**Shares**”) in the share capital of the Company. A summary of such grant is set out below:

Date of grant	: 5 July 2012 (the “ Date of Grant ”)
Exercise price of the Options granted	: HK\$6.15
Number of Options granted	: 12,325,202
Closing price of the Shares on the Date of Grant	: HK\$6.15
Average closing price of Shares for the five trading days immediately preceding the Date of Grant	: HK\$5.91

Validity period of the Options : : 5 July 2012 to 21 May 2019 (the
“Option Period”)

Details of Options granted are as follows:

Grantee	Position held in the Group	Number of Options granted
Mr. Fung Ka Lun	executive director of the Company	4,878,049
Mr. Jiang Yan Zhang	executive director of the Company	1,626,016
Ms. Lai Wun Yin	non-executive director of the Company	487,805
Mr. Chan Kam Hung	independent non-executive director of the Company	747,967
Mr. Leung Chong Shun	independent non-executive director of the Company	747,967
Mr. Yan Qi Ping	independent non-executive director of the Company	747,967
	Sub-total	<u>9,235,771</u>
Other employees of the Group		<u>3,089,431</u>
Total		<u><u>12,325,202</u></u>

The grant of Options to each of the above directors has been approved by the independent non-executive directors of the Company (excluding the relevant independent non-executive director who is the Grantee of the Options).

Save as disclosed, none of the Grantees is a director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them.

The Options with respect to a Grantee will be exercisable in the following manner:

- (i) up to one-third of the Shares that are subject to the Option (the “**First Option Shares**”) so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing on 5 July 2013 and ending on 4 July 2014 (the “**First Period**”);

- (ii) up to one-third of the Shares that are subject to the Option (the “**Second Option Shares**”), together with the First Option Shares, so granted to him/her (rounded down to the nearest whole number), less the number of Shares in respect of which the Option has been exercised during the First Period with respect to the First Option Shares, at any time during the period commencing from 5 July 2014 and ending on 4 July 2015 (the “**Second Period**”); and
- (iii) up to one-third of the Shares that are subject to the Option, together with the First Option Shares and the Second Option Shares, so granted to him/her (rounded down to the nearest whole number), less the number of Shares in respect of which the Option has been exercised during the First Period and the Second Period with respect to the First Option Shares or the Second Option Shares, as the case may be, at any time during the period commencing from 4 July 2015 and ending on the expiration of the Option Period.

No Option will be exercisable after the expiry of its term.

By order of the Board
China Metal Recycling (Holdings) Limited
中國金屬再生資源（控股）有限公司
Chun Chi Wai
Chairman and Chief Executive Officer

Hong Kong, 5 July 2012

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