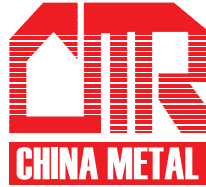


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CHINA METAL RECYCLING (HOLDINGS) LIMITED

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)

UPDATE ON THE PROPOSED DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDER

Reference is made to announcement of the Company dated 25 January 2013 (the “**Announcement**”) in relation to the proposed sale of 341,174,618 Shares by the controlling shareholder of the Company to the Purchaser. Unless otherwise defined, terms used in this announcement have the same meanings as used in the Announcement.

The Company has been informed by the Vendor that the Vendor, the Guarantor and the Purchaser have on 28 June 2013 entered into a supplemental agreement to the Sale and Purchase Agreement pursuant to which the following amendments to the Sale and Purchase Agreement have been made:

- (a) the long stop date for the Sale and Purchase Agreement has been changed from 30 June 2013 to 31 December 2013;
- (b) a new condition precedent that Completion will be subject to the Purchaser being satisfied with its further due diligence on the Company has been added; and
- (c) a new clause on the Purchaser’s right has been added to require the Vendor and the Guarantor to indemnify the Purchaser for losses arising from or incurred in connection with the acquisition of the Sale Shares in the event of a breach of the representation, warranty and undertaking by the Vendor or the Guarantor under the Sale and Purchase Agreement.

In addition, the parties to the Sale and Purchase Agreement acknowledged and agreed that as the condition precedent of there being no suspension of trading in the Shares on the Stock Exchange for more than 20 consecutive business days from the date of the Sale and Purchase Agreement (other than any suspension arising as a result of the Sale and Purchase Agreement) has not been satisfied or waived, the Purchaser has the right to terminate the Sale and Purchase Agreement at any time, including after trading in the Shares have been resumed on the Stock Exchange. The parties further acknowledged and agreed that prior to the resumption of trading in the Shares, the Purchaser is under no obligation to cause any of the conditions to the Sale and Purchase Agreement to be satisfied or waived.

As Completion of the Sale and Purchase Agreement is subject to the satisfaction of various conditions precedent set out in the Sale and Purchase Agreement, the disposal of the Sale Shares by the Vendor may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Metal Recycling (Holdings) Limited
Chun Chi Wai
Chairman and Chief Executive Officer

Hong Kong, 1 July 2013

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.