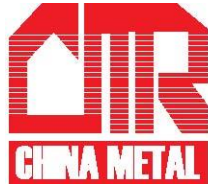


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CHINA METAL RECYCLING (HOLDINGS) LIMITED

中國金屬再生資源（控股）有限公司

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00773)

UPDATE TO SHAREHOLDERS

Reference is made to the announcement of China Metal Recycling (Holdings) Limited (Provisional Liquidators Appointed) (“Company”) dated 11 June 2014 in relation to certain ongoing legal proceedings involving the Company and/or its subsidiaries (“June Announcement”). Capitalised terms defined in the June Announcement have the same meaning in this announcement.

Winding-up Petition – HCCW 210/2013

The Trial of the Petition was initially scheduled to take place from 2 February 2015 to 17 February 2015 and from 24 February 2015 to 6 March 2015. The Trial has since been scheduled to take place for a further 9 days from 9 to 13 March 2015, 17 March 2015 and from 12 May to 14 May 2015.

The Company’s application to the HK Court seeking to set aside the Order dated 26 July 2013 appointing the Provisional Liquidators or alternatively seeking an order to replace the Provisional Liquidators was heard on 14 and 15 October 2014 and judgment was reserved. As at the date of this announcement, no judgment has been issued by the HK Court in respect of the Company’s application.

High Court Action - HCA 1412/2013

In addition to interlocutory judgment having been entered against 4 of the defendants to the HCA 1412/2013 proceedings, a further defendant (Cheung Fat Metal Recycling Company Limited) has been debarred from defending the action as a result of its refusal to disclose its assets as required pursuant to the Freezing Injunction.

Upon the ex parte application of the Provisional Liquidators on 3 June 2014, the Freezing Injunction and the Wellrun Freezing Injunction were varied by the HK Court to expressly include 22 companies and a commercial office block in Guangzhou on the basis that the HK Court considered that there is good reason to believe that they are the undisclosed assets of Mr Chun and/or Wellrun.

The Provisional Liquidators have recently issued mediation notices to Mr Chun, Wellrun and Ms Lai

in accordance with the High Court's Practice Direction on Mediation in civil proceedings, in which they have indicated their willingness to attempt mediation to resolve their disputes with them. The intended mediation in HCA 1412/2013 is a standard part of the civil litigation proceedings in Hong Kong. The willingness of the parties to mediate is not indicative of any agreement to settle and the HCA 1412/2013 proceedings will not be stayed pending any attempt to mediate.

In light of the ongoing investigations of the Commission and the Provisional Liquidators and the legal proceedings described in the June Announcement and this announcement involving the Company, the Provisional Liquidators and others, the Provisional Liquidators must exercise caution in disclosing information involving the Company and its subsidiaries at this stage. The Provisional Liquidators are not currently in a position to disclose further information in respect of these legal proceedings and their continuing investigations and findings to date. Nor are they in a position, at this stage, to advise of the possible consequences of the Trial in February, March and May 2015 including the possible ramifications for the creditors and shareholders of the Company.

Further announcements will be made as and when appropriate.

Trading in the shares of the Company has been suspended since 28 January 2013 and will remain suspended until further notice.

For and on behalf of
China Metal Recycling (Holdings) Limited
(Provisional Liquidators Appointed)
Chi Lai Man Jocelyn
and
Cosimo Borrelli
Joint and Several Provisional Liquidators

Hong Kong, 31 October 2014

On the basis of the information available from the previous announcements made by the Company, the Board of Directors of the Company comprises: Mr Chun Chi Wai and Mr Jiang Yan Zhang as executive directors and Ms Lai Wun Yin as non-executive director; and Mr Yan Qi Ping as independent non-executive director.