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CHINA METAL INTERNATIONAL HOLDINGS INC.

勤美達國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 319)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

This announcement is made pursuant to Rule 2.1 of the Takeovers Code. Reference is made to the joint announcement issued by China Metal International Holdings Inc. (the “**Company**”) and United Elite Agents Limited (the “**Offeror**”) dated 29 May 2017 (the “**Joint Announcement**”) in relation to, among other things, the Offeror’s request to the Board to put forward to the Scheme Shareholders the proposed privatization of the Company by way of a scheme of arrangement under Section 86 of the Companies Law involving (i) the reduction of the issued share capital of the Company by the cancellation of the Scheme Shares and, in consideration therefor, the payment by the Offeror to the Scheme Shareholders of the Cancellation Price HK\$3.01 in cash for each Scheme Share so cancelled, (ii) the restoration of the issued share capital of the Company to the amount immediately before the cancellation of the Scheme Shares by means of the issuance of new Shares in the same number as the Scheme Shares (which were cancelled) to the Offeror credited as fully paid out of the credit arising in the Company’s books of account as a result of the issued share capital reduction referred to in (i) above, and (iii) the withdrawal of the listing of the Shares on the Stock Exchange.

Capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement unless otherwise stated.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board is pleased to announce that First Shanghai Capital Limited has been appointed as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee in relation to the Proposal, the Undertakings, the Scheme and the Option Offer and to advise the Company in relation to its unaudited first quarterly results for the three months ended 31 March 2017 (the “**First Quarterly Results**”) in accordance with Rule 10.3 of the Takeovers Code.

First Shanghai Capital Limited is a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO.

The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser in respect of the Proposal, the Undertakings, the Scheme, the Option Offer and the First Quarterly Results will be included in the Scheme Document.

Shareholders, Optionholders and potential investors should exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank manager, solicitor or other professional advisers.

By Order of the Board
China Metal International Holdings Inc.
King Fong-Tien
Chairman

Hong Kong, 6 June 2017

As at the date of this announcement, the Board consists of eight Directors, including four executive Directors, namely Mr. King Fong-Tien, Mr. Tsao Ming-Hong, Ms. Chen Shun-Min and Ms. Ho Pei-Lin, one non-executive Director, namely Mr. Christian Odgaard Pedersen, and three independent non-executive Directors, namely Mr. Lam Ting Lok, Mrs. Chiu Lin Mei-Yu (also known as Mary Lin Chiu) and Mr. Chen Pou-Tsang (also known as Angus P.T. Chen).

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

* *For identification purposes only*