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**UNITED ELITE AGENTS
LIMITED**

*(Incorporated in the British Virgin Islands
with limited liability)*

**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)

JOINT ANNOUNCEMENT

**PROPOSED PRIVATIZATION OF
CHINA METAL INTERNATIONAL HOLDINGS INC.
BY UNITED ELITE AGENTS LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE CAYMAN COMPANIES LAW
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF
CHINA METAL INTERNATIONAL HOLDINGS INC.**

**DISPATCH OF SCHEME DOCUMENT
AND OPTION OFFER LETTER**

Financial Adviser to the Offeror



KGI CAPITAL ASIA LIMITED

*Independent Financial Adviser to the
Independent Board Committee*



FIRST SHANGHAI CAPITAL LIMITED

INTRODUCTION

References are made to (i) the joint announcement dated 29 May 2017 issued by United Elite Agents Limited (“**Offeror**”) and China Metal International Holdings Inc. (the “**Company**”) regarding the Proposal, the Undertakings, the Scheme and the Option Offer; (ii) the joint announcement issued by the Offeror and the Company dated 19 June 2017 in relation to the extension of time for dispatch of the Scheme Document; and (iii) the scheme document dated 13 July 2017 jointly issued by the Offeror and the Company in relation to the Proposal, the Undertakings, the Scheme and the Option Offer (the “**Scheme Document**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as defined in the Scheme Document.

DISPATCH OF SCHEME DOCUMENT AND OPTION OFFER LETTER

The Scheme Document together with the notices of the Court Meeting and the EGM to be held on Wednesday, 23 August 2017 and the related proxy forms will be dispatched to the Shareholders on Thursday, 13 July 2017.

The Scheme Document, the notices of the Court Meeting and the EGM, the Option Offer Letter and the Form of Acceptance will also be dispatched to the Optionholders on Thursday, 13 July 2017.

The Scheme Document contains, among other things, further details of the Scheme, the Proposal, the Undertakings and the Option Offer, the expected timetable, the explanatory statement of the Scheme as required under the Companies Law, financial information of the Group, general information regarding the Group and the Offeror, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser, a notice of the Court Meeting and a notice of the EGM.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all 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), has been established by the Board to make recommendations to the Scheme Shareholders and the Optionholders in respect of the Proposal, the Undertakings, the Scheme and the Option Offer.

First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Undertakings, the Scheme and the Option Offer.

The Independent Financial Adviser has advised the Independent Board Committee that it considers, so far as the Scheme Shareholders are concerned, the terms of the Proposal, the Scheme and the Undertakings to be fair and reasonable, and so far as the Optionholders are concerned, the terms of the Option Offer to be fair and reasonable, and accordingly, it recommends the Independent Board Committee to advise the Scheme Shareholders to vote in favour of the Proposal, the Scheme and the Undertakings at the Court Meeting and the EGM and the Optionholders to accept the Option Offer.

The Independent Board Committee, having been so advised, considers that, the terms of the Proposal, the Scheme and the Undertakings are fair and reasonable so far as the Scheme Shareholders are concerned, and the terms of the Option Offer are fair and reasonable so far as the Optionholders are concerned. Accordingly, the Independent Board Committee recommends the Scheme Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve the Proposal, the Scheme and the Undertakings and the Optionholders to accept the Option Offer.

Shareholders and Optionholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal, the Undertakings, the Scheme and the Option Offer as set out in the letters from the Independent Board Committee and the Independent Financial Adviser as contained in the Scheme Document.

COURT MEETING AND EGM

The Court Meeting and the EGM are scheduled to be held at 10:00 a.m. and 11:30 a.m. (or immediately after the Court Meeting shall have been concluded and adjourned), respectively, on Wednesday, 23 August 2017 at Room 1801, 18th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong.

In accordance with the directions of the Cayman Islands Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, approving the Scheme (with or without modifications).

The EGM will be held for the purpose of considering and, if thought fit, passing (i) the special resolution by Shareholders to approve the Scheme, subject to any modifications, additions or conditions as may be approved or imposed by the Grand Court of the Cayman Islands and to approve and give effect to the Capital Reduction, and forthwith upon the Capital Reduction taking effect, increase the issued share capital of the Company to its former amount by issuing to the Offeror the same number of Shares as is equal to the number of Scheme Shares cancelled and

extinguished as aforesaid and apply the credit arising in its books of account as a result of the Capital Reduction in paying up in full at par such new Shares for issue to the Offeror; and (ii) the ordinary resolution by the Scheme Shareholders to approve the Undertakings.

Notices of the Court Meeting and the EGM are contained in the Scheme Document.

Announcement will be made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM on Wednesday, 23 August 2017.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 18 August 2017 to Wednesday, 23 August 2017 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 17 August 2017.

CONDITIONS

Shareholders and potential investors should be aware that the Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the paragraph headed "2. Terms of the Proposal — Conditions of the Proposal" in Part VII of the Scheme Document. All the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Cayman Islands Grand Court may direct), failing which the Proposal and the Scheme will not proceed and will lapse and the Option Offer will not be implemented. Further announcements on any changes regarding the timetable of the Scheme will be made as and when necessary.

EXPECTED TIMETABLE

The expected timetable for the Scheme is as follows:

Dispatch of the Scheme Document (with the notices of the Court Meeting and the EGM incorporated as Appendices IV and V thereto, respectively)..... Thursday, 13 July 2017

Dispatch of the Option Offer Letter Thursday, 13 July 2017

Latest time for Optionholders to exercise their Share Options in order to become entitled to vote at the Court Meeting and the EGM..... before 3:30 p.m. on Thursday, 17 August 2017

Latest time for lodging transfers of Shares in order to become entitled to vote at the Court Meeting and the EGM before 4:30 p.m. on Thursday, 17 August 2017

Register of members of the Company closed for determining the entitlement of relevant Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM (*Note 1*) Friday, 18 August 2017 to Wednesday, 23 August 2017 (both dates inclusive)

Latest time for lodging the **pink** form of proxy in respect of the Court Meeting (*Note 2*) 10:00 a.m. on Monday, 21 August 2017

Latest time for lodging the **white** form of proxy in respect of the EGM (*Note 2*) 11:30 a.m. on Monday, 21 August 2017

Meeting Record Date on Wednesday, 23 August 2017

Court Meeting for Scheme Shareholders (*Note 3*) 10:00 a.m.
on Wednesday, 23 August 2017

EGM (*Note 3*) 11:30 a.m.
on Wednesday, 23 August 2017
(or so soon after the Court Meeting
shall have been concluded or adjourned)

Announcement of the results of the
Court Meeting and the EGM not later than 7:00 p.m.
on Wednesday, 23 August 2017

Expected last day for trading in the
Shares on the Stock Exchange Friday, 22 September 2017

Court hearing of the petitions to sanction the
Scheme and to confirm the Capital Reduction Friday, 22 September 2017
(Cayman Islands time)

Announcement of the result of the Court Hearing,
the expected Effective Date and the expected
date of withdrawal of listing of the Shares
on the Stock Exchange no later than 8:30 a.m.
on Monday, 25 September 2017

Latest time for Optionholders
to exercise their Share Options in order to
qualify for entitlements under the Scheme 3:30 p.m.
on Wednesday, 27 September 2017

Latest time for lodging transfers of
Shares in order to qualify for
entitlements under the Scheme 4:30 p.m.
on Wednesday, 27 September 2017

Register of members of the Company
closed for determining entitlements to
qualify under the Scheme (*Note 4*) from Thursday,
28 September 2017 onwards

Scheme Record Date Tuesday, 3 October 2017

Option Offer Record Date Tuesday, 3 October 2017

Effective Date (*Note 5*) Tuesday, 3 October 2017
(Cayman Islands time)

Announcement of the Effective Date and
the withdrawal of listing of the Shares
on the Stock Exchange no later than 8:30 a.m.
on Wednesday, 4 October 2017

Expected withdrawal of listing of the
Shares on the Stock Exchange
becomes effective (*Note 6*) 4:00 p.m. on Friday, 6 October 2017

Cheques for cash entitlements under the
Scheme to be dispatched (*Note 7*) on or before Friday, 13 October 2017

Latest time to accept the Option Offer and
closing date of the Option Offer (*Note 8*) 4:30 p.m.
on Tuesday, 17 October 2017

Lapse of outstanding Share Options Tuesday, 17 October 2017

Cheques for cash entitlements under the
Option Offer to be dispatched (*Note 9*) on or before
Thursday, 26 October 2017

Shareholders and Optionholders should note that the above timetable is subject to
change. Further announcement(s) will be made in the event that there is any change.

Notes:

1. The register of members of the Company will be closed during such period for the purposes of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM. This book close period is not for determining entitlements under the Scheme.
2. Forms of proxy should be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than the respective times and dates stated above or, in the case of the **pink** form of proxy for use at the Court Meeting, they may be handed to the chairman of the Court Meeting. Completion and return of the relevant form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder from attending the relevant meeting and voting in person. In such event, the relevant form of proxy returned will be deemed to have been revoked.

3. The Court Meeting and the EGM will be held at Room 1801, 18th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong at the times and dates specified above. Please see the notices of the Court Meeting set out in Appendix IV to the Scheme Document and the notice of the EGM set out in Appendix V to the Scheme Document.
4. The register of members of the Company will be closed during such period for the purposes of determining the entitlements under the Scheme.
5. The Scheme will become effective upon all the Conditions having been fulfilled or waived (as applicable).
6. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at or before 4:00 p.m. on Friday, 6 October 2017, being the next business day after the Effective Date.
7. Cheques for the cash entitlements to the Scheme Shareholders under the Scheme will be dispatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of the Company on or before Friday, 13 October 2017.
8. Forms of Acceptance, duly completed and executed in accordance with the instructions on them, must be lodged with the Offeror, care of China Metal International Holdings Inc. at Room 1502, 15th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong, for the attention of the board of directors of the Offeror and marked “China Metal International Holdings Inc. — Option Offer” not later than 4:30 p.m. on Tuesday, 17 October 2017 (or such later date and time as may be notified by the Offeror, the Offeror FA and the Company).
9. Cheques for the cash entitlements to the Optionholders under the Option Offer will be dispatched by ordinary post at the risk of the recipients on or before Thursday, 26 October 2017.

All references to times and dates are references to Hong Kong times and dates, except as otherwise specified.

OVERSEAS SHAREHOLDERS AND OPTIONHOLDERS

The making of the Proposal to the Scheme Shareholders, and the making of the Option Offer to the Optionholders, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders wishing to take any action in relation to the Scheme and the Option Offer, as the case may be, to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, that those local laws and requirements have been complied with. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representations and warranties. If any Scheme Shareholder or Optionholder is in doubt as to its position, it should consult its professional advisers.

Scheme Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal or the Option Offer, as the case may be. It is emphasized that none of the Offeror, the Company and their respective advisers or any of their respective directors, officers or associates or any other person involved in the Proposal and the Option Offer accepts any responsibility whatsoever for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Option Offer, as the case may be.

Warning:

Shareholders, Optionholders and potential investors should be aware that the implementation of the Proposal, the Scheme and/or the Option Offer is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal, the Scheme and the Option Offer may or may not be implemented and the Scheme may or may not become effective.

Shareholders, Optionholders and potential investors should therefore 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 of
**UNITED ELITE AGENTS
LIMITED**
Lin Ting-Fung
Director

By Order of the Board of
**CHINA METAL INTERNATIONAL
HOLDINGS INC.**
King Fong-Tien
Chairman

Hong Kong, 13 July 2017

As at the date of this announcement, the board of directors of the Offeror consists of Mr. Lin Ting-Fung and Mr. King Fong-Tien.

As at the date of this announcement, the board of directors of CMP consists of six directors, namely Mr. Lin Ting-Fung (林廷芳), Mr. Tsao Ming-Hong (曹明宏), Ms. Wu Shu-Chuan (吳淑娟), Ms. Ho Pei-Fen (何佩芬), Mr. Chen Pen Fa (陳本發) and Mr. Ho Cheng Yu (何承育), and three independent directors, namely Mr. Chang Ming-Chieh (張明傑), Mr. Liao Liou-Yi (廖了以) and Mr. Lin Jung Chuen (林榮春).

The directors of the Offeror and CMP jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) 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 statement in this announcement misleading.

As at the date of this announcement, the board of Directors of the Company consists of eight Directors, of which four are executive Directors, namely Mr. King Fong-Tien, Mr. Tsao Ming-Hong, Ms. Chen Shun Min and Ms. Ho Pei-Lin, one is non-executive Director, namely Mr. Christian Odgaard Pedersen, and three are 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 (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror) having 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 statement in this announcement misleading.

** for identification purpose only*