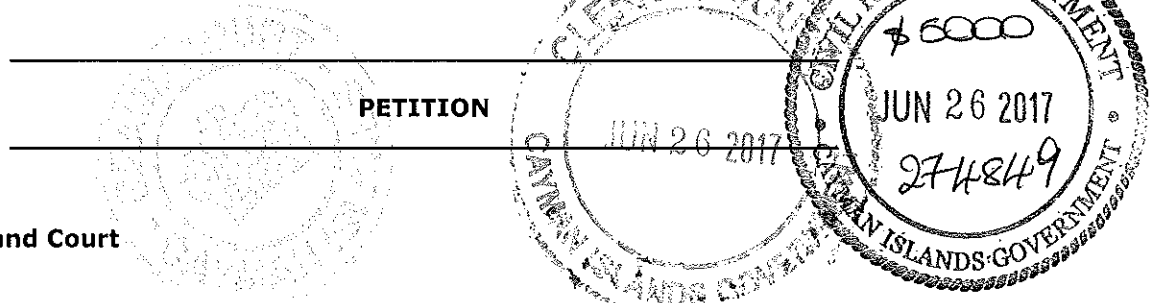


IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 129 OF 2017

IN THE MATTER OF SECTION 86 OF THE COMPANIES LAW (2016 REVISION)  
AND IN THE MATTER OF CHINA METAL INTERNATIONAL HOLDINGS INC.



To: The Grand Court

**THE HUMBLE PETITION** of China Metal International Holdings Inc. of Clifton House, 75 Fort Street, PO Box 1350 GT, George Town, Grand Cayman, Cayman Islands (the **Company**) **SHOWS THAT:**

1. The object of this Petition is to seek the sanction of the Court for a scheme of arrangement pursuant to Section 86 of the Companies Law (2016 Revision) (the **Companies Law**) (the **Scheme**) as set out in a printed composite document (the **Scheme Document**) containing, amongst other things, the proposed Scheme between the Company and the holders of the Scheme Shares as defined in the Scheme and as set out below.

**Background**

2. The Company was incorporated in the Cayman Islands on 5 August 2004 as an exempted company limited by shares.
3. The Company's shares are listed for trading on the Main Board of the Hong Kong Stock Exchange (the **Stock Exchange**) (Stock Code 319). The Company and its subsidiaries (the **Group**) are principally engaged in the design, development, manufacture and sale of customized metal castings used in various industries, and in the provision of moulding, machining and coating services, such operations being carried out in the People's Republic of China.
4. The Company's current authorised share capital is HK\$100,000,000.00, divided into 10,000,000,000 shares of HK\$0.01 each (**Shares**). Of these, 997,366,000 have been issued and are fully paid or credited as fully paid.

On 29 May 2017, the Company and United Elite Agents Limited (the **Offeror**) announced a proposal for privatisation of the Company by way of a scheme of arrangement (the **Scheme**).

### **Shareholders**

6. As at the date of this Petition:

- (1) the Offeror holds 597,128,059 Shares;
- (2) parties acting in concert or presumed to be acting in concert with the Offeror as defined by the Hong Kong Code on Takeovers and Mergers (the **Offeror Concert Parties**) do not hold any Shares;
- (3) Vald. Birn Holding A/S, Yanmar Co Ltd, Mr Tsao Ming-Hong, Mr Ho Ming-Shiann, Ms Ho Pei-Lin and Grand Dragon Co Ltd (the **Committed Shareholders**) hold in aggregate 174,084,525 Shares; and
- (4) the Scheme Shareholders (being all of the other Shareholders of the Company) hold in aggregate 226,153,416 Shares.

7. The Shares held by the Offeror and the Committed Shareholders will not form part of the Scheme Shares and the Offeror and the Committed Shareholders will not vote on the Scheme at the Court Meeting.

### **Share Options**

8. The Company has in issue certain share options (the **Share Options**) granted under a share option scheme of the Company adopted on 8 December 2004 (the **Old ESOP**). These will not form part of the Scheme, unless the options are exercised prior to the Latest Option Exercise Date. As the Cancellation Price is above the exercise price for the Share Options, the Offeror shall procure that a cash offer equal to HK\$0.49 for each outstanding Share Option will be made for the cancellation of the Share Options, which is the "see-through" price and represents the difference between the Cancellation Price of HK\$3.01 per Scheme Share and the exercise price of HK\$2.52 per Share under the Share Options. This will be conditional upon the Scheme becoming effective.

### **The Scheme**

9. The object of the Scheme is the privatisation of the Company by the Offeror. This will be achieved by:

- (1) the reduction of the issued share capital of the Company by the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Cancellation Price for each Scheme Share;
  - (2) 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 accounts as a result of the issued share capital reduction; and
  - (3) the withdrawal of the listing of the Shares on the Stock Exchange.
10. The Scheme Shareholders of the Company will be offered the Cancellation Price of HK\$3.01 per Scheme Share.
  11. For the Scheme to be effective, certain conditions must be complied with. These conditions are set out in the Scheme Document. Included in these conditions are the passing of a special resolution to approve the reduction of the Company's issued share capital and the confirmation of the reduction of issued share capital by the Grand Court. It is proposed that an Extraordinary General Meeting to consider, amongst other things, the proposed reduction of capital will be held immediately after the Court Meeting.
  12. The Company proposes to hold a Court Meeting pursuant to orders made on the Summons for Directions filed simultaneously with this Petition and to advertise such meeting pursuant to the orders of this Honourable Court.
  13. The Scheme is such that an intelligent and honest person, being a member of the Scheme Shareholders, and acting in respect of their interests, might reasonably approve it.

**YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:**

1. The Scheme be sanctioned by this Honourable Court so as to be binding on the Company and the Scheme Shareholders.
2. Such Court meetings be held as this Honourable Court shall see fit to order on the Summons for Directions filed in this matter.
3. Such further orders as to the Court seem fit.

Dated the 26<sup>th</sup> day of June 2017

*Appleby (Cayman) Ltd.*  
**Appleby (Cayman) Ltd.**  
**Attorneys-at-Law for the Petitioner**

Note: This petition is not intended to be served

**THIS PETITION** was filed by Appleby (Cayman) Ltd., Attorneys-at-Law for the Petitioner, whose address for service is Clifton House, 75 Fort Street, PO Box 190, KY1-1104, George Town, Grand Cayman, Cayman Islands. (Ref: ES/SAJ/439233.0001)

**NOTICE OF HEARING**

**TAKE NOTICE THAT** the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman on the *22* day of *Sept 2010* at *10* - am/pm.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, Cayman Islands, KY1-1106 telephone (+1 345) 949 4296.