

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## CHINA METAL RESOURCES UTILIZATION LIMITED

### 中國金屬資源利用有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1636)**

#### INSIDE INFORMATION

#### **(1) BANKRUPTCY REORGANISATION APPLICATION OF PRC SUBSIDIARY OF THE COMPANY;**

**AND**

#### **(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by China Metal Resources Utilization Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.25(1)(b) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

#### **BANKRUPTCY REORGANISATION APPLICATION**

The board of directors (the “**Board**”) of the Company announces that Hunan Yinlian Xiangbei Copper Co., Ltd.\* (湖南銀聯湘北銅業有限公司) (“**Yinlian Xiangbei**”), an indirect wholly-owned subsidiary of the Company, received a civil ruling (the “**Civil Ruling**”) from the People’s Court of Miluo City, Hunan Province (the “**Court**”) in relation to a petition for winding-up against Yinlian Xiangbei filed by Hunan Miziyuan Asset Holdings Co., Ltd.\* (湖南汨之源實業集團有限公司) (“**Miziyuan**”), a creditor of Yinlian Xiangbei, on the ground that Yinlian Xiangbei was unable to repay the debts falling due. The debts involved were in the amount of approximately RMB11.9 million. Yinlian Xiangbei opposed the petition and applied to the Court for bankruptcy reorganisation instead.

According to the Civil Ruling, after taking into account the situation of Yinlian Xiangbei and the bankruptcy reorganisation of the Company’s other three subsidiaries in Mianyang City, Sichuan Province, the Court rejected Miziyuan’s petition for winding-up and accepted Yinlian Xiangbei’s bankruptcy reorganisation application (the “**Yinlian Xiangbei Bankruptcy Reorganisation Application**”).

The Board is of the view that, the Yinlian Xiangbei Bankruptcy Reorganisation Application would provide a platform for Yinlian Xiangbei to restructure its existing indebtedness with the relevant creditors, with the sanction by the Court (the “**Yinlian Xiangbei Debt Restructuring**”). The Board envisages that the Yinlian Xiangbei Debt Restructuring, if successfully implemented, would reduce the debts of Yinlian Xiangbei, release the intrinsic value and business potential of the quality assets currently held by Yinlian Xiangbei, and allow Yinlian Xiangbei to fully utilise such assets to increase the revenue generation ability. Although Yinlian Xiangbei presently faces difficulties in repaying its debts, the Board is of the view that (i) the assets held by Yinlian Xiangbei is of strategic

value; (ii) Yinlian Xiangbei possesses strong technical capabilities pedigree; and (iii) the production and recycling industries in which Yinlian Xiangbei operates has promising prospects in the PRC in light of the 14th Five-Year Plan published by the PRC government. After the Yinlian Xiangbei Debt Restructuring, the Board believes that Yinlian Xiangbei will be able to continue to operate as a going concern and improve the overall financial position of Yinlian Xiangbei and the Group. Further, through the Yinlian Xiangbei Debt Restructuring, the Company hopes to preserve the welfare of the staff of Yinlian Xiangbei, as a matter of social responsibilities, and contribute to the local community.

Subject to the Court's discretion, the Yinlian Xiangbei Debt Restructuring may involve the appointment of provisional administrator(s), the introduction of strategic investors and the coordination of negotiations amongst creditors with the view to formulating the Yinlian Xiangbei Debt Restructuring plan. Based on the Company's understanding, until the end of the Yinlian Xiangbei Debt Restructuring, Yinlian Xiangbei can continue its business operations.

Notwithstanding the Yinlian Xiangbei Debt Restructuring, the Board intends to continue and focus on the existing operations of the Group. In view of the circumstances described above, the Board is of the view that the Company will be able to continue to carry out a business having substance, with sufficient level of operations and asset of sufficient value to support its operations.

The Company will keep the shareholders and the public informed of any major developments in relation to the Yinlian Xiangbei Debt Restructuring and/or the Yinlian Xiangbei Bankruptcy Reorganisation Application by issuing further announcement(s) as and when appropriate.

#### **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 3 April 2023 and will remain suspended until further notice.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. There is no guarantee on the outcome of the Yinlian Xiangbei Bankruptcy Reorganisation Application or the Yinlian Xiangbei Debt Restructuring, as it may depend on many factors including the macro-economy, the finalized accounts of Yinlian Xiangbei, the attitude of creditors and the successful introduction of strategic investor(s).**

By order of the Board  
**China Metal Resources Utilization Limited**  
**Mr. Yu Jianqiu**  
*Chairman*

Hong Kong, 14 August 2023

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Yu Jianqiu (Chairman), Mr. Kwong Wai Sun Wilson, Mr. Gao Qiang and Ms. Zhu Yufen; and three independent non-executive directors, namely, Mr. Li Wei, Mr. Fang Guanghua and Mr. Yu Rengzhong.*