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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) PRE-RESTRUCTURING 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).

PRE-RESTRUCTURING APPLICATION

The board of directors (the “**Board**”) of the Company announces that Hubei Rongsheng Copper Co., Ltd* (湖北融晟金屬製品有限公司) (“**Hubei Rongsheng**”), an indirect wholly-owned subsidiary of the Company, received (i) a decision dated 12 September 2023; and (iii) notice to Hubei Rongsheng dated 12 September 2023 (together, the “**Court Documents**”) from the People’s Court of Yunmeng County, Hubei Province (the “**Court**”) in relation to Hubei Rongsheng’s application for pre-restructuring (the “**Pre-restructuring**”) in accordance with the pre-restructuring procedure under the applicable provisions of the Enterprise Bankruptcy Law of the People’s Republic of China to prepare for its intended bankruptcy reorganisation application.

According to the Court Documents, after considering the opinions of Hubei Rongsheng, its main creditors and interested investors and the relevant government authorities, the Court approved the Pre-restructuring of Hubei Rongsheng and designated Hubei Gongshun Accounting Firm* (湖北公順會計師事務所) as provisional administrator of the Pre-restructuring per the discussion of Hubei Rongsheng and its main creditors.

The Board is of the view that, the Pre-structuring, and the intended bankruptcy reorganisation application (together, the “**Hubei Rongsheng Debt Restructuring**”), would provide a platform for Hubei Rongsheng to restructure its existing indebtedness with the relevant creditors, with the sanction by the Court. The Board envisages that the Hubei Rongsheng Debt Restructuring, if successfully implemented, would reduce the debts of Hubei Rongsheng, release the intrinsic value and business potential of the quality assets currently held by Hubei Rongsheng, and allow Hubei Rongsheng to fully utilise such assets to increase the revenue generation ability. Although Hubei Rongsheng presently faces difficulties in repaying its debts, the Board is of the view that (i) the assets held by Hubei Rongsheng is of strategic value; (ii) Hubei Rongsheng possesses strong

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

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

Notwithstanding the Hubei Rongsheng 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 Hubei Rongsheng Debt Restructuring, the Pre-restructuring and/or Hubei Rongsheng's 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 Hubei Rongsheng Debt Restructuring, as it may depend on many factors including the macro-economy, the finalized accounts of Hubei Rongsheng, 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, 15 September 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.