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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)**

### **PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER**

#### **THE SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that after trading hours on 22 January 2016, the Company and the Purchaser entered into the Subscription Agreement, pursuant to which the Purchaser conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 73,250,735 Subscription Shares to the Purchaser. The Subscription Price is HK\$2.41 per Subscription Share and the aggregate consideration for the Subscription is HK\$176,534,271.35.

The Subscription Shares represent approximately 3.48% of the existing issued share capital of the Company and approximately 3.36% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of this announcement up to the date of Completion).

The Subscription Price of HK\$2.41 per Subscription Share represents (i) a discount of approximately 13.9% to the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 13.9% to the average closing price of HK\$2.80 per Share as quoted on the Stock Exchange over the five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 9 June 2015. As the Subscription Shares are to be issued under the General Mandate, the allotment and issue of the Subscription Shares is not subject to Shareholders' approval.

## **DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER**

The Board was informed by Mr. Huang, a Director and a substantial shareholder of the Company, that on 22 January 2016, Mr. Huang, Silver Harvest, a company wholly-owned by Mr. Huang, entered into the Share Sale Agreement with the Purchaser pursuant to which Silver Harvest conditionally agreed to sell and the Purchaser conditionally agreed to purchase 82,790,366 Shares, representing (i) approximately 3.93% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of this announcement up to the date of Completion). Mr. Huang and Silver Harvest are jointly and severally liable to the guarantee, undertakings, responsibilities and obligations under the Share Sale Agreement.

The Board was further informed by Mr. Huang and Mr. Yu that on 22 January 2016, Mr. Huang, Mr. Yu and the Purchaser entered into the Deed of Compensation, pursuant to which Mr. Huang and Mr. Yu have undertaken to pay the Purchaser, on the condition that the Purchaser has not reduced its shareholding of the Subscription Shares and the Sale Shares for a period of one year after it becomes the owner of the Subscription Shares and the Sale Shares (subject to the exceptions stipulated under the Deed of Compensation), an amount in cash calculated based on the difference between the proceeds from the disposal of the relevant Shares and the agreed return upon the Purchaser's disposal of the Subscription Shares and the Sale Shares from time to time, so that the Purchaser would receive a return not less than the guaranteed return stipulated under the Deed of Compensation on disposal of such Shares. Such guaranteed return is set at prices that are higher than the prices at which the Purchaser agreed to acquire the Subscription Shares and the Sale Shares pursuant to the Subscription Agreement and the Share Sale Agreement, respectively, and is calculated according to the length of the period during which the Purchaser is a holder of the relevant Shares. The undertakings by Mr. Huang and Mr. Yu under the Deed of Compensation will take effect upon completion of the Subscription and the Disposal.

The transactions contemplated under the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation are inter-conditional upon and inseparable with each other, where the effectiveness and completion of any one of the transactions are dependent on the subsistence and simultaneous completion of the other transactions.

In order to comply with the relevant regulations concerning foreign exchange control in the PRC, the Purchaser proposes to acquire the Subscription Shares and the Sale Shares through a trust or asset management scheme established by Trustee which is an Independent Third Party, who will hold the Subscription Shares and the Sale Shares on trust for the Purchaser. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Agreements in substantially the same terms as the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation are expected to be entered into between the Company, the Purchaser, the Trustee, Silver Harvest, Mr. Huang and Mr. Yu (as applicable) upon the establishment of such trust or asset management scheme in order to vest the rights and obligations under the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation from the Purchaser to the Trustee, whereupon the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation shall be deemed to be terminated.

**Shareholders and potential investors should note that completion of the Subscription and the Disposal is subject to the fulfillment of certain conditions precedent under the Subscription Agreement and the Share Sale Agreement, respectively, and the undertakings by Mr. Huang and Mr. Yu under the Deed of Compensation becoming effective. In addition, completion of the Subscription and the Disposal is conditional upon the entering into of agreements in substantially the same terms as the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation between the Company, the Purchaser, the Trustee, Silver Harvest, Mr. Huang and Mr. Yu (as applicable) upon the establishment of the trust or asset management scheme by the Purchaser. As the Subscription and/or the Disposal may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## THE SUBSCRIPTION AGREEMENT

### Date

22 January 2016

### Parties

- (i) The Company, as issuer; and
- (ii) The Purchaser, as subscriber.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party. It is not expected that the Purchaser or the Trustee will become a substantial shareholder of the Company immediately upon Completion.

### Number of Subscription Shares

Pursuant to the Subscription Agreement, the Purchaser conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to the Purchaser 73,250,735 Subscription Shares. The Subscription Price is HK\$2.41 per Subscription Share and the aggregate consideration for the Subscription is HK\$176,534,271.35.

The aggregate nominal value of the Subscription Shares is HK\$7,325,073.50. As at the date of this announcement, there were 2,105,145,600 Shares in issue. The Subscription Shares represent approximately 3.48% of the existing issued share capital of the Company and approximately 3.36% of the issued share capital of the Company as enlarged by the

allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of this announcement up to the date of Completion).

### **Subscription Price**

The Subscription Price of HK\$2.41 per Subscription Share represents:

- (i) a discount of approximately 13.9% to the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 13.9% to the average closing price of HK\$2.80 per Share as quoted on the Stock Exchange over the five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Purchaser with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate consideration for the Subscription is HK\$176,534,271.35 and shall be payable upon Completion. The net proceeds from the Subscription, after deduction of related expenses, are estimated to be approximately HK\$170,355,571. The net Subscription Price (net of expenses) is approximately HK\$2.3256 per Subscription Share.

### **Ranking of the Subscription Shares**

The Subscription Shares, when allotted and issued, will be fully paid and rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of such Subscription Shares.

### **Conditions precedent to the Subscription**

Completion of the Subscription is conditional upon fulfillment of the following:

- (a) the listing of the Shares not having been revoked and the Shares continuing to be listed and traded on the Stock Exchange before Completion (save for any temporary trading halt or suspension in trading pending the release of an announcement in connection with the Subscription Agreement), the Company not having been notified by the Stock Exchange or the Securities and Futures Commission before Completion that it will or may raise any objection against or revoke the listing status of the Company or the listing of the Shares on the Main Board of the Stock Exchange due to terms of the Subscription Agreement, the Share Sale Agreement or the Deed of Compensation or the transactions contemplated thereunder or any reasons in connection with such transactions (whether conditional or not);

- (b) the Listing Committee of the Stock Exchange granting unconditional approval for the listing and subscription of the Subscription Shares, or such conditions not being unacceptable to the Purchaser (other than conditions which are customary, but not including lock-up period restrictions) and such approval not being revoked before Completion;
- (c) no government departments or regulatory institutions in any jurisdiction having proposed, formulated or adopted any order, decree, regulation or decision imposing restriction or prohibition on the transactions contemplated under the Subscription Agreement, causing substantial amendments (except the amendments accepted by the Company and the Purchaser) or causing them to be invalid, and no government departments or regulatory institutions having commenced any litigation, investigation or inquiry or there being any such potential or pending litigation, investigation or inquiry which might restrict or limit the transactions contemplated under the Subscription Agreement, causing substantial amendments (except the amendments accepted by the Company and the Purchaser) or causing them to be invalid;
- (d) subject to the full disclosure of the Subscription and the transactions contemplated under the Share Sale Agreement and the Deed of Compensation, the Company and the Purchaser not having been notified (whether verbal or written) by the Securities and Futures Commission before Completion that (i) the Purchaser (including the trustee of the relevant trust scheme to be set up according to the terms of the Subscription Agreement) and the substantial shareholders and/or controlling shareholders of the Company are deemed to be persons acting in concert under the Takeovers Code as a result of the Subscription or the transactions contemplated under the Share Sale Agreement or the Deed of Compensation and the relevant transaction arrangements; or (ii) the Purchaser (including the trustee of the relevant trust scheme to be set up according to the terms of the Subscription Agreement) is obliged to make a general offer under the Takeovers Code as a result of the Subscription or the transactions contemplated under the Share Sale Agreement or the Deed of Compensation and the relevant transaction arrangements;
- (e) no third party having proposed restriction or prohibition on the transactions contemplated under the Subscription Agreement to any court or government organisations in any jurisdiction, sought to declare such transactions unlawful or commenced any litigation or there being any pending legal procedures seeking for compensation of substantial damages in connection with these transactions, nor threatened to bring such litigation or legal procedures;
- (f) the Company and the Purchaser having obtained all required consents and approvals for the transactions contemplated under the Subscription Agreement, and having met and fully complied with the relevant laws and regulations (including but not limited to the Listing Rules and the relevant regulations in the Cayman Islands and Hong Kong), such consents and approvals remaining valid until Completion and the relevant authorities not having implemented any rules or regulations to prohibit or severely delay the performance and completion of the Subscription Agreement;

- (g) all the basic warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all respects as at the date of the Subscription Agreement and at Completion, and other warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and at Completion;
- (h) the Company having fulfilled in all material aspects its pre-Completion undertakings under the Subscription Agreement from the date of the Subscription Agreement to Completion pursuant to the Subscription Agreement;
- (i) all the warranties of the Purchaser being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and at Completion;
- (j) the unit trust scheme through which the Purchaser subscribes the Subscription Shares having been established pursuant to laws of the PRC, and the Purchaser having settled the trust property in full pursuant to the relevant trust agreement, and the PRC regulatory procedures (including filings with the China Banking Regulatory Commission) having been completed;
- (k) the Purchaser having provided to the Company a copy of the trust agreement (in which the charges of the Trustee and other commercial secrets may be redacted) constituting the trust scheme through which the Purchaser subscribes the Subscription Shares, pursuant to the terms thereof the sole beneficiary under such trust scheme shall be the Purchaser;
- (l) there being no facts or circumstances which would have a material adverse effect on any members of the Group from the date of the Subscription Agreement;
- (m) the Company having performed and fulfilled in all material aspects all of its agreements and obligations prior to Completion pursuant to the terms of the Subscription Agreement, and there being no breach of any of its undertakings under the Subscription Agreement;
- (n) the Purchaser having performed and fulfilled in all material aspects all of its agreements and obligations prior to Completion pursuant to the terms of the Subscription Agreement, and there being no breach of any of its undertakings under the Subscription Agreement; and
- (o) the Share Sale Agreement and the Deed of Compensation remaining valid and binding and enforceable and the conditions precedent under such agreements (if any) having been fulfilled or waived by the Purchaser.

The Purchaser may, by no later than 30 April 2016, notify the Company in writing to waive the fulfillment of all or any part of the above conditions precedent (other than conditions precedent (a), (b), (i), (j), (k) and (n) which cannot be waived by the Purchaser), and the Company may notify the Purchaser in writing to waive the fulfillment of all or any part of conditions precedent (i), (j), (k) and (n).

If the above conditions precedent have not been fulfilled before 30 April 2016 (or such other date the Company and the Purchaser may agree in writing), provided that the conditions precedent not having been fulfilled is not caused by default or breach by any parties, the Subscription Agreement will be automatically terminated and lapse, and the parties will be released from their obligations under the Subscription Agreement, except for certain specified provisions and legal responsibilities arising from antecedent breaches; if the conditions precedent not having been fulfilled is caused by default or breach by a party, then such party will be liable for its breach.

### **Completion**

Completion shall take place no later than ten Business Days following the fulfillment of the conditions precedent above or on such other date as agreed by the Company and the Purchaser.

### **GENERAL MANDATE**

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 9 June 2015 to allot and issue up to 421,029,120 Shares, representing 20% of the aggregate nominal value of the issued share capital of the Company as of that date.

Prior to the date of the Subscription Agreement, the Company has not allotted and issued any Shares under the General Mandate. Accordingly, as at the date of this announcement, the Directors have the power to allot and issue up to 421,029,120 Shares under the General Mandate. As the Subscription Shares are to be issued under the General Mandate, the allotment and issue of the Subscription Shares is not subject to Shareholders' approval.

### **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

### **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

In view of the current market conditions, the Directors consider that the Subscription represents a good opportunity to raise funds for the Company for its operations. The Subscription would allow immediate cash inflow into the Group without any interest burden. The Directors consider that the terms of the Subscription Agreement including the Subscription Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net proceed of approximately HK\$170,355,571 will be used as general working capital of the Company.

## FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

Set out below are the fund raising activities conducted by the Company in the past 12 months immediately prior to the date of this announcement:

<b>Date of announcements</b>	<b>Fund-raising activity</b>	<b>Amount of net proceeds and intended use of proceeds</b>	<b>Actual use of proceeds</b>
27 March 2015, 9 April 2015 and 13 April 2015	Issue of convertible bonds in an aggregate principal amount of USD32,610,000 due 2017 under general mandate	Intended to be used for the acquisition of a 30% interest in Sichuan Baohe Fushan Resources Recycling Development Co., Ltd (四川省保和富山再生資源開發有限公司) and the remaining for general working capital of the Company	As intended
5 February 2015	Issue of 102,000,000 unlisted warrants	HK\$102,000, intended to be used as general working capital of the Company	As intended

Save as set out above, the Company has not conducted any fund raising activities in the past 12 months immediately prior to the date of this announcement.

## DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER

The Board was informed by Mr. Huang, a Director and a substantial shareholder of the Company, that on 22 January 2016, Mr. Huang, Silver Harvest, a company wholly-owned by Mr. Huang, entered into the Share Sale Agreement with the Purchaser pursuant to which Silver Harvest conditionally agreed to sell and the Purchaser conditionally agreed to purchase 82,790,366 Shares, representing (i) approximately 3.93% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of this announcement up to the date of Completion). Mr. Huang and Silver Harvest are jointly and severally liable to the guarantee, undertakings, responsibilities and obligations under the Share Sale Agreement.

The Board was further informed by Mr. Huang and Mr. Yu that on 22 January 2016, Mr. Huang, Mr. Yu and the Purchaser entered into the Deed of Compensation, pursuant to which Mr. Huang and Mr. Yu have undertaken to pay the Purchaser, on the condition that the Purchaser has not reduced its shareholding of the Subscription Shares and the Sale Shares for a period of one year after it becomes the owner of the Subscription Shares and the Sale Shares (subject to the exceptions stipulated under the Deed of Compensation), an amount in cash calculated based on the difference between the proceeds from the disposal of the relevant Shares and the agreed return upon the Purchaser's disposal of the Subscription Shares and the Sale Shares from time to time, so that the Purchaser would receive a return not less than the guaranteed return stipulated under the Deed of Compensation on disposal of such Shares. Such guaranteed return is set at prices that are higher than the prices at

which the Purchaser agreed to acquire the Subscription Shares and the Sale Shares pursuant to the Subscription Agreement and the Share Sale Agreement, respectively, and is calculated according to the length of the period during which the Purchaser is a holder of the relevant Shares. The undertakings by Mr. Huang and Mr. Yu under the Deed of Compensation will take effect upon completion of the Subscription and the Disposal.

The transactions contemplated under the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation are inter-conditional upon and inseparable with each other, where the effectiveness and completion of any one of the transactions are dependent on the subsistence and simultaneous completion of the other transactions.

In order to comply with the relevant regulations concerning foreign exchange control in the PRC, the Purchaser proposes to acquire the Subscription Shares and the Sale Shares through a trust or asset management scheme established by Trustee which is an Independent Third Party, who will hold the Subscription Shares and the Sale Shares on trust for the Purchaser. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Agreements in substantially the same terms as the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation are expected to be entered into between the Company, the Purchaser, the Trustee, Silver Harvest, Mr. Huang and Mr. Yu (as applicable) upon the establishment of such trust or asset management scheme in order to vest the rights and obligations under the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation from the Purchaser to the Trustee, whereupon the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation shall be deemed to be terminated.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Subscription; and (iii) immediately after completion of the Subscription and the Disposal (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of this announcement and up to the date of completion of the Subscription and the Disposal):

Shareholders	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Subscription		Shareholding immediately after completion of the Subscription and the Disposal	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mr. Yu ( <i>note 1</i> )	999,774,400	47.49	999,774,400	45.90	999,774,400	45.90
Mr. Huang ( <i>note 2</i> )	413,522,200	19.64	413,522,200	18.98	330,731,834	15.18
Purchaser ( <i>Note 3</i> )	—	—	73,250,735	3.36	156,041,101	7.16
Other public Shareholders	<u>691,849,000</u>	<u>32.87</u>	<u>691,849,000</u>	<u>31.76</u>	<u>691,849,000</u>	<u>31.76</u>
Total	<u>2,105,145,600</u>	<u>100.00</u>	<u>2,178,396,335</u>	<u>100.00</u>	<u>2,178,396,335</u>	<u>100.00</u>

Notes:

1. The shares are held by Mr. Yu and Epoch Keen Limited, a company wholly-owned by Mr. Yu.
2. The shares are held by First Harvest Global Limited, Ocean Through Limited and Gold Wide Enterprises Limited which were wholly-owned by Mr. Huang.
3. The shares will be held by the Trustee on trust for the Purchaser.

## INFORMATION ON THE PARTIES

The Group is a manufacturer of recycled copper products (also known as copper semis) in Southwest China. The Group processes recycled scrap copper and, to a lesser extent, electrolytic copper, to manufacture a range of copper products, including copper wire rods, copper wires, copper plates and copper granules.

The Purchaser is a state-controlled company established in the PRC whose principal businesses include non-ferrous metals, petroleum and chemical products and other commodities trade.

**Shareholders and potential investors should note that completion of the Subscription and the Disposal is subject to the fulfillment of certain conditions precedent under the Subscription Agreement and the Share Sale Agreement, respectively, and the**

**undertakings by Mr. Huang and Mr. Yu under the Deed of Compensation becoming effective. In addition, completion of the Subscription and the Disposal is conditional upon the entering into of agreements in substantially the same terms as the Subscription Agreement, the Share Sale Agreement and the Deed of Compensation between the Company, the Purchaser, the Trustee, Silver Harvest, Mr. Huang and Mr. Yu (as applicable) upon the establishment of the trust or asset management scheme by the Purchaser. As the Subscription and/or the Disposal may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings, unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 6 June 2015
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays) on which banks are open for business in Hong Kong
“Company”	China Metal Resources Utilization Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1636)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Deed of Compensation”	the deed of compensation dated 22 January 2016 executed by Mr. Huang and Mr. Yu in favour of the Purchaser and the Trustee
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Sale Shares by Silver Harvest pursuant to the terms and conditions of the Share Sale Agreement
“General Mandate”	The general mandate granted to the Directors by the resolution of the Shareholders passed at the AGM to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	person(s) who is/are independent of the Company and its connected persons and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Huang”	Mr. Huang Weiping, an executive Director
“Mr. Yu”	Mr. Yu Jianqiu, the chairman of the Board and an executive Director
“PRC”	the People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Jizhong Hongyuan International Trading Company Limited* (冀中宏遠國際貿易有限公司), a company established in the PRC with limited liability
“Sale Shares”	the 82,790,366 Shares to be disposed of by Silver Harvest in accordance with the terms and conditions of the Share Sale Agreement
“Securities and Futures Commission”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Sale Agreement”	the share sale agreement dated 22 January 2016 entered into between Silver Harvest, the Purchaser and Mr. Huang in relation to the Disposal
“Silver Harvest”	Silver Harvest Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Huang
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Purchaser pursuant to the terms and conditions of the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 22 January 2016 entered into between the Company and the Purchaser in relation to the Subscription
“Subscription Price”	the subscription price of HK\$2.41 per Subscription Share
“Subscription Share(s)”	the 73,250,735 new Shares to be subscribed by the Purchaser in accordance with the terms and conditions of the Subscription Agreement
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Trustee”	a financial institution established in the PRC which possesses the “Qualified Domestic Institutional Investor” qualification
“%”	per cent.

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

Hong Kong, 22 January 2016

*As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Yu Jianqiu (Chairman), Mr. Kwong Wai Sun Wilson, Mr. Huang Weiping and Ms. Zhu Yufen; and three independent non-executive directors, namely, Mr. Lee Ting Bun Denny, Mr. Pan Liansheng and Ms. Ren Ruxian.*

\* *for identification purpose only*