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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)

CONVERSION OF CONVERTIBLE BONDS

Reference is made to the announcement of China Metal Resources Utilization Limited (the “**Company**”) dated 27 March 2015 in relation to the issue of convertible bonds in an aggregate principal amount of US\$32,610,000 (the “**Convertible Bonds**”) and the announcement of the Company dated 24 October 2016 in relation to the adjustment of the conversion price of the Convertible Bonds (together, the “**Announcements**”). Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board announces that the Company received a conversion notice from the Investor on 11 April 2017 in respect of the conversion of the Convertible Bonds in the principal amount of US\$16,300,000 (the “**Conversion CBs**”). Pursuant to the Terms and Conditions, the number of Shares to be issued by the Company upon conversion of the Conversion CBs at the initial Conversion Price of HK\$1.40 shall be 90,555,555 Shares.

As disclosed in the announcement of the Company dated 24 October 2016, pursuant to the adjustment provisions of the Conversion Price as stated in the Terms and Conditions, the initial Conversion Price of HK\$1.40 per Share has been adjusted to HK\$1.39 per Share due to the issue of the Subscription Shares. As a result of such adjustment to the Conversion Price, the Shares to be issued by the Company upon conversion of the Conversion CBs shall be increased from 90,555,555 Shares to 90,881,295 Shares, representing the issue of an additional 325,740 Shares (the “**Additional Shares**”) compared to the conversion of the Conversion CBs at the initial Conversion Price.

The Additional Shares will be issued by the Company under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 6 June 2014. An application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Additional Shares.

By order of the board of Directors
China Metal Resources Utilization Limited
Mr. YU Jianqiu
Chairman

Hong Kong, 12 April 2017

As at the date of this announcement, the board of directors of the Company 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.