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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)

CLARIFICATION ANNOUNCEMENT

References are made to (i) the 2016 annual report of China Metal Resources Utilization Limited (the “**Company**”) published by the Company on 25 April 2017 (the “**Annual Report**”); (ii) the announcement of the Company dated 9 April 2017 in relation to the issue of convertible bonds in the principal amount of HK\$250,000,000 under general mandate; (iii) the announcement of the Company dated 1 June 2017 in relation to the issue of 74,074,074 ordinary shares of the Company under general mandate; (iv) the announcement of the Company dated 20 June 2017 in relation to the signing of annual procurement agreements and proposed issue of 184,632,000 unlisted warrants of the Company under general mandate; (v) the announcement of the Company dated 31 July 2017 in relation to the issue of convertible bonds in the principal amount of HK\$600,000,000 under general mandate; and (vi) the announcement of the Company dated 15 August 2017 in relation to the signing of annual procurement agreements involving the potential issue of 65,632,000 ordinary shares of the Company under general mandate (the announcements referred to in (ii) to (vi) collectively, the “**Announcements**”).

The Company wishes to clarify that, as referred to on page 12 of the Annual Report, in respect of the issue of 135,000,000 ordinary shares of the Company to Hong Kong Zhongliang Recycling Mining Investments Limited on 17 August 2016 at a price of HK\$2.58 per share, the proceeds from such issuance in the sum of HK\$348,300,000 (the “**Proceeds**”) were intended to be used for the construction of the Company’s new plant for the production of copper plates and copper wire rods in Huili county, Sichuan, the People’s Republic of China. Whilst the intention of the Company to use the Proceeds as intended has not been changed, as the funding for the construction of the new plant will be deployed in stages according to the progress of the construction, in order to make use of the Proceeds efficiently for the benefits of the Company’s business, as at 31 December 2016, the Company had used approximately RMB160 millions of the Proceeds for the purchase of raw materials in the ordinary course of its business pending deployment of the funds for the construction.

The Company wishes to further clarify that, whilst it was stated in the Announcements that the Proceeds were to be used as intended, as at the respective dates of the Announcements, approximately RMB160 millions of the Proceeds were used by the Company for the purchase of raw materials in the ordinary course of its business pending deployment of the funds for the construction of the new plant.

The clarification above does not affect any other information contained in the Annual Report and the Announcements.

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

Hong Kong, 20 September 2017

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