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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 POSSIBLE ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

This announcement is made by China Metal Resources Utilization Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company announces that the Company is in advanced negotiation with an investor (the “**Investor**”) in relation to a possible subscription for convertible bonds to be issued by the Company (the “**Possible Bond Issue**”). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Investor and its ultimate beneficial owner(s) are not connected persons (as defined under the Listing Rules) of the Company.

Based on the negotiations between the Company and the Investor as at the date of this announcement, the principal terms of the Possible Bond Issue are as follows:

Principal amount:	HK\$200,000,000
Maturity date:	the second anniversary of the date of issue
Interest rate:	10% per annum, payable quarterly
Financing arrangement fees:	2% per annum, payable annually in advance

Conversion right:	the holder shall be entitled to convert, in whole or in part, the convertible bonds into ordinary shares of the Company (the “ Shares ”) from the date of issue up to and including the day preceding the maturity date of the convertible bonds
Conversion price:	initially HK\$3.00 per Share (subject to customary adjustment)
Transferability:	the convertible bonds may be transferred at any time after the date of issue
Listing:	no listing of the convertible bonds will be sought in any jurisdiction

It is envisaged that the conversion shares to be issued upon exercising of the conversion right of the convertible bonds will be issued under the general mandate granted to the Directors. Should the Possible Bond Issue materialise, the Company anticipates that definitive agreement(s) in respect of the Possible Bond Issue will be executed by the parties in approximately one to three weeks after the date of this announcement. Further announcement will be made by the Company in accordance with the Listing Rules as and when appropriate.

As the Possible Bond Issue and the terms thereof are subject to further negotiations between the Company and the Investor, the Possible Bond Issue may or may not proceed and the terms of the convertible bonds to be issued by the Company should the Possible Bond Issue materialise may or may not be the same as the terms set out in this announcement. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the shares of the Company.

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

Hong Kong, 24 November 2016

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.