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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)

APPLICATION FOR EXTENSION OF TIME FOR APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Reference is made to (i) the announcement of China Metal Resources Utilization Limited (the “**Company**”) dated 28 June 2022 (the “**June Announcement**”) in relation to, among other things, the non-compliance with Rules 3.10(1), 3.10(2) and 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) with regards to the composition of the board of directors of the Company (the “**Board**”) and the audit and corporate governance committee of the Board (the “**Audit Committee**”); and (ii) the announcement of the Company dated 2 September 2022 (the “**September Announcement**”) in respect of the appointment of Mr. Gao Qiang as an additional executive director.

CONTINUING NON-COMPLIANCE WITH RULES 3.10(1), 3.10(2) AND 3.21

As disclosed in the June Announcement, following the retirement of Mr. Lee Ting Bun Denny and Ms. Ren Ruxian as independent non-executive directors of the Company (“**INED(s)**”) and the appointment of Mr. Li Wei as a new INED on 28 June 2022, the Company has not been in compliance with Rules 3.10(1), 3.10(2) and 3.21 of the Listing Rules. In particular, the Company does not meet the requirements of (i) having a minimum of three independent non-executive directors (Rule 3.10(1)); (ii) having at least one independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise (Rule 3.10(2)); and (iii) having an audit committee chaired by an independent non-executive director, with a minimum of three members, one of whom being an independent non-executive director with the qualifications specified under Rule 3.10(2) (Rule 3.21).

Pursuant to Rules 3.11 and 3.23 of the Listing Rules, the Company should appoint sufficient number of INEDs to meet the requirements under Rules 3.10 and 3.21 within three months after failing to meet such requirements (i.e. on or before 27 September 2022).

Over the past few months, the Company has taken active steps to identify suitable candidates meeting the relevant requirements (including but not limited to familiarity with the industry in which the Company operates and Board diversity) and with appropriate professional expertise pursuant to Rule 3.10(2) of the Listing Rules to be appointed as an INED and to fill the vacancy in the Audit Committee. Despite the best effort of the Company, the Company still requires more time to identify potential suitable candidates to fill the vacancy as (i) the recent travel restrictions and other COVID-19 control measures in Hong Kong and Mainland China, including the recent lockdown in Chengdu, Sichuan Province, have slowed down the candidate selection process, as they have made it more difficult for the Company to arrange for in-person meetings for assessment of suitability and negotiate the terms of appointment with potential candidates; and (ii) the Company endeavours to appoint a suitable candidate who can bring new perspectives, skills and experience to the Board with local knowledge and understanding.

NON-COMPLIANCE WITH RULE 3.10A

As stated in the September Announcement, the Company appointed Mr. Gao Qiang (“**Mr. Gao**”) as an additional executive director with effect from 2 September 2022. Following the appointment of Mr. Gao, the Company does not currently have INEDs representing at least one-third of the Board, as required under Rule 3.10A of the Listing Rules. In order to comply with the Listing Rules, the Company will appoint an INED as soon as possible.

APPLICATION FOR GRANT OF EXTENSION OF TIME

In light of the above, the Company has applied to the Stock Exchange for an extension of the grace period under Rules 3.11 and 3.23 of the Listing Rules for the Company to re-comply with Rules 3.10(1), 3.10(2), 3.10A and 3.21 of the Listing Rules.

The Company will continue actively reaching out to current directors, professional advisors as well as business partners and industry organisations for candidate recommendations. The Company will arrange for interviews with suitable potential candidates to assess their skills, expertise, background (including other directorships held by the candidates) and independence, having regard to each of the factors referred to in Rule 3.13 of the Listing Rules. The Company will formally appoint a suitable candidate on the recommendation of the nomination committee of the Board as soon as practicable in order to re-comply with the requirements under Rules 3.10(1), 3.10(2), 3.10A and 3.21 of the Listing Rules.

Further announcement(s) will be made by the Company when and as appropriate.

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

Hong Kong, 27 September 2022

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Yu Jianqiu (Chairman), Mr. Kwong Wai Sun Wilson, Mr. Huang Weiping, Mr. Gao Qiang and Ms. Zhu Yufen; and two INEDs, namely, Mr. Li Wei and Mr. Pan Liansheng.