

**CHINA METAL RESOURCES UTILIZATION LTD:  
NO THANK YOU, MR YU JIAN QIU**

In respect of the first three quarters of the 2013 Financial Year, ended September 30, 2013, China Metal Resources Utilization Ltd () (Code: 1636, Main Board, The Stock Exchange of Hongkong Ltd) did not fare well, at all, at least not in respect of its principle activities, and, had it not been for the benevolence of the Government of the People's Republic of China (PRC), the first nine months of the 2013-Year would have resulted in the Company, reporting a financial loss from operations ... or very close to a financial loss.

Put another way, the aggregate amount of the PRC Government's cash subsidies to China Metal Resources, during the first nine months of the 2013-Year, were in excess of the Company's stated Bottom Line by 3,724,000 renminbi (about \$HK4.74 million).

China Metal Resources is a manufacturer of recycled copper products in the PRC, Proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

Last Tuesday (February 11), this Company made a Global Offering of 618.46 million, 10-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK1.00 to \$HK1.20.

Of the total number of shares on Offer, 463,153,600 are New Shares and the remaining 93,458,400 Shares are those shares to be sold by existing shareholders, termed as '*Sale Shares*'.

Hongkong Investors are being allocated 61,848,000 Offer Shares, if they choose to take up this entitlement, while International Investors are being sought in order to Place 556,612,000 Shares.

Based on this medium's forensic investigations of this Company, the 2013 Financial Year, ended December 31, was '*rescued*' by dint of the PRC Government, injecting not less than 136,175,000 renminbi – including interest income of 654,000 renminbi, mainly obtained from the injections – (about \$HK173,214,600) into this manufacturer's coffers.

This is easily ascertained by scanning the financials of China Metal Resources, contained in the Appendices of the Global Offering Prospectus.

(More about the financials, later on in this report)

**The Initial Public Offering (IPO)**

The Company is hoping to bag about \$HK531.50 million, based on an Offer Price Per Share of \$HK1.10, being the midpoint of the Indicative Offer Price.

This amount of money is designated for the following purposes:

- About \$HK185.80 million, representing about 34.96 percent of the Net Proceeds from this IPO, in order to retire debts to the Company's bankers and '*to repay the bridge loan which we are in the process of obtaining for the purpose of repaying in full the loans from Gushan*' (Gushan Environmental Energy Ltd [], a company, domiciled in the Cayman Islands, that, beneficially, is wholly owned by Mr Yu Jian Qiu (), the Chairman and Controlling Shareholder of China Metal

Resources, and, also, the amount of money due to Carling Technology Ltd (), a BVI company that is, also, wholly owned by the Chairman.

- About \$HK345.70 million, representing about 65.04 percent of the Net Proceeds from this IPO, to fund the planned capital expenditure for new projects of the Company.

Aside from borrowing money ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*