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## Court continues appointment of provisional liquidators for China Metal Recycling (Holdings) Limited

2 Aug 2013

The Court of First Instance today ordered that the appointment of provisional liquidators for China Metal Recycling (Holdings) Limited (China Metal Recycling) be continued until further order of the court.

The ex parte order to appoint the provisional liquidators was granted on 26 July 2013 when the Securities and Futures Commission (SFC) filed a petition to the court to wind up China Metal Recycling under section 212 of the Securities and Futures Ordinance to protect the interests of the company's shareholders, creditors and the investing public (Note 1).

China Metal Recycling did not appear at today's hearing to oppose the appointment of provisional liquidators, but Mr Chun Chi Wai, the chairman and chief executive officer of China Metal Recycling, Mr Fung Ka Lun, an executive director of the company, and Wellrun Limited, the company via which Chun holds approximately 53% of the shares of China Metal Recycling, applied to be joined as additional respondents in the proceedings.

The court adjourned the application and indicated that they had to file evidence in support of the application before it would be considered.

The SFC alleges that China Metal Recycling overstated its financial position in the prospectus used for its initial public offering in 2009 and in its annual report for 2009 and that the suspected exaggeration of its financial situation remains a current issue.

The first hearing of the SFC's petition will be heard on 16 October 2013.

The SFC's investigation is continuing.

End

Note:

1. On 26 July 2013, the court ordered the appointment of Cosimo Borelli and Jocelyn Chi Lai Man as joint and several provisional liquidators of China Metal Recycling. Please see the SFC's press release dated [29 July 2013](#).

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