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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)

PROFIT WARNING

This announcement is made by China Metal Resources Utilization Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the loss attributable to the Shareholders for the six months ended 30 June 2022 is expected to substantially increase as compared with that for the six months ended 30 June 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors of the Company that, based on information currently available, the Group is expected to record a loss attributable to Shareholders of approximately RMB500 million for the six months ended 30 June 2022 (the “**Relevant Period**”) as compared with the loss attributable to Shareholders of RMB72 million for the six months ended 30 June 2021.

Based on the information currently available to the Company, the Board believes that such substantial increase in loss is mainly attributable to the decrease in VAT refunds under the Comprehensive Utilisation of Resources Policy, the substantial increase in provision for doubtful debts and a decrease in volume of our sale transactions under the detrimental impact of COVID-19 on the economy for the Relevant Period as compared to the six months ended 30 June 2021.

The Board would also like to inform the Shareholders and potential investors of the Company that, notwithstanding the above, the daily operations and financial position of the Group remain stable.

As at the date of this announcement, the Company is in the process of preparing and finalizing the interim results of the Group for the Relevant Period. The information contained in this announcement is only based on a preliminary assessment by the Company's management team with reference to the unaudited management accounts of the Group for the Relevant Period and the other information currently available, which have not been audited or reviewed by the Company's auditors or the audit committee of the Company, and may be subject to further adjustments or amendments.

Shareholders and potential investors are advised to read carefully the announcement of the interim results of the Group for the Relevant Period, which is expected to be published no later than the end of August 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 25 August 2022

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Yu Jianqiu (Chairman), Mr. Kwong Wai Sun Wilson, Mr. Huang Weiping and Ms. Zhu Yufen; and two independent non-executive Directors, namely, Mr. Li Wei and Mr. Pan Liansheng.