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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)

FURTHER DELAY IN PUBLICATION OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference are made to the announcements of China Metal Resources Utilization Limited (the "**Company**", and together with its subsidiaries, the "**Group**") dated 30 March 2020 in relation to the Group's unaudited annual results for the year ended 31 December 2019 and dated 4 May 2020, 13 May 2020, 29 May 2020, 5 June 2020, 19 June 2020, 26 June 2020, 9 July 2020, 15 July 2020 and 31 July 2020 in relation to the delay in publication of the audited annual results announcement for the year ended 31 December 2019 and 2019 annual report of the Company and date of board meeting ("**Previous Announcements**"). Unless the context otherwise requires, terms used in this announcement shall have the same meaning as those defined in the Previous Announcements.

The board ("**Board**") of directors of the Company wishes to provide further information in relation to the further delay in the release of the 2019 Annual Results and 2019 Annual Report to its shareholders. As mentioned in the Previous Announcements, whilst the audit is progressing towards its conclusion, the Company has been informed by the Auditors that additional time is required for the Auditors to finalise the audit. According to the currently available information, which is subject to change upon finalisation of the audit, the Auditors expect to issue a disclaimer of opinion. As the audit has yet to be completed, further details of the auditor's report are not available for disclosure in this announcement.

Despite the above, for the past few weeks, the Company has focused on the following areas, and expects to continue working on, including but not limited to, the following areas in the coming weeks which the Company expects to be related to the disclaimer of opinion:

- uncertainties relating to going concern given that a number of the Group's loans are short term liabilities with approaching maturity date, which contributes to the Group's tight liquidity; and

- uncertainties in assessment of goodwill impairment of the Group's goodwill which is accounted for by six subsidiaries, arising from uncertainties of cash flows forecast under the current economic environment in China.

Shareholders and potential investors should note that the audit has not been completed and further details in respect of the disclaimer of opinion will be provided as and when the 2019 Annual Report is published. The above is based solely on the understanding of the Company, and the Auditors have made no representations as to the accuracy or completeness as to the above.

It had taken a longer time than originally expected in the past few months as, among others, a significant portion of audit procedures had to be performed by the Auditors in Mainland China under the border control of COVID-19. There were also further delay given the re-bounce in cases of COVID-19 in Hong Kong recently which further impacts on the timing. Furthermore, the Auditors' work has also been delayed due to the recent events as disclosed in the announcements dated 19 May 2020 and 16 June 2020.

Upon discussion with the Auditors and based on the currently available information, the Company expects the audit to be completed and the audit opinion to be issued on or before 21 August 2020, as such, the 2019 Annual Results and 2019 Annual Report will be uploaded by 21 August 2020.

The Stock Exchange has granted a waiver to the Company from strict compliance with (a) Rule 13.46(2)(a) of the Listing Rules and extend the date by which the Company is required to publish its 2019 Annual Results and 2019 Annual Report by 21 August 2020; and (b) Rule 13.46(2)(b) of the Listing Rules to hold its annual general meeting on 5 September 2020.

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

Hong Kong, 11 August 2020

As at the date of this announcement, the Board comprises of 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.