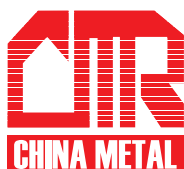


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## **CHINA METAL RECYCLING (HOLDINGS) LIMITED**

**中國金屬再生資源（控股）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00773)**

### **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the year ended 31 December 2009 amounted to approximately HK\$9,063.2 million (2008: HK\$6,526.6 million), representing an increase of 38.9% over last year.
- Profit attributable to owners of the Company amounted to approximately HK\$478.4 million, representing an increase of 62.5% over HK\$294.4 million in 2008.
- Basic earnings per share attributable to owners of the Company amounted to HK 54.28 cents, representing an increase of 29.1% over HK 42.06 cents in 2008.
- The Board recommended the payment of a final dividend of HK 12 cents per ordinary share for the year ended 31 December 2009.

#### **ANNUAL RESULTS**

The board of directors (the “Board”) of China Metal Recycling (Holdings) Limited 中國金屬再生資源(控股)有限公司 (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2009, together with the comparative figures.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2009*

	<i>Notes</i>	<b>2009</b> <i>HK\$'000</i>	<b>2008</b> <i>HK\$'000</i>
Revenue	3	<b>9,063,175</b>	6,526,594
Cost of sales		<b>(8,273,221)</b>	(6,031,534)
Gross profit		<b>789,954</b>	495,060
Other income	4	<b>7,973</b>	21,998
Distribution and selling expenses		<b>(6,559)</b>	(7,804)
Administrative expenses		<b>(83,548)</b>	(49,756)
Other expenses		<b>(13,365)</b>	—
Net (loss) gain on derivative financial instruments		<b>(72,336)</b>	16,181
Finance costs	5	<b>(120,425)</b>	(147,413)
Share of result of an associate		<b>1,941</b>	2,654
Profit before taxation		<b>503,635</b>	330,920
Income tax expense	6	<b>(24,950)</b>	(23,007)
Profit for the year	7	<b>478,685</b>	307,913
Exchange difference arising on translation, representing other comprehensive income for the year		<b>—</b>	28,247
Total comprehensive income for the year		<b>478,685</b>	336,160
Profit for the year attributable to:			
Owners of the Company		<b>478,422</b>	294,431
Minority interests		<b>263</b>	13,482
		<b>478,685</b>	307,913
Total comprehensive income for the year attributable to:			
Owners of the Company		<b>478,422</b>	319,027
Minority interests		<b>263</b>	17,133
		<b>478,685</b>	336,160
		<b>HK cents</b>	HK cents
Earnings per share	9		
– basic		<b>54.28</b>	42.06
– diluted		<b>54.10</b>	42.06

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

		<b>2009</b>	<b>2008</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>88,989</b>	82,537
Investment properties		<b>1,731</b>	1,770
Prepaid lease payments - non-current portion		<b>94,529</b>	97,989
Interest in an associate		<b>97,113</b>	67,046
Deposits paid for acquisition of property, plant and equipment		<b>55,130</b>	15,304
Deposits paid for land use rights		<b>45,653</b>	12,500
		<b>383,145</b>	277,146
<b>CURRENT ASSETS</b>			
Inventories		<b>727,538</b>	257,536
Trade and other receivables and deposits	10	<b>2,524,325</b>	835,573
Bills receivable	11	<b>248,067</b>	304,601
Prepaid lease payments - current portion		<b>3,460</b>	3,460
Amount due from an associate		—	54
Amount due from a controlling shareholder		—	771
Deposit paid to a related party		<b>115</b>	115
Derivative financial instruments		<b>36,940</b>	1,446
Taxation recoverable		—	2,182
Pledged bank deposits		<b>210,376</b>	72,455
Restricted bank deposits		<b>62,284</b>	3,631
Bank balances and cash		<b>554,417</b>	343,293
		<b>4,367,522</b>	1,825,117

	<i>Notes</i>	<b>2009</b> <i>HK\$'000</i>	<b>2008</b> <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	<b>981,796</b>	52,330
Discounted bills		<b>139,810</b>	304,601
Amounts due to minority shareholders of subsidiaries		—	1,286
Amount due to a director		—	2,219
Derivative financial instruments		<b>62,144</b>	127
Bank borrowings – due within one year		<b>451,576</b>	128,664
Secured guaranteed senior notes	13	—	696,724
Taxation payable		<b>25,072</b>	8,369
		<b>1,660,398</b>	1,194,320
<b>NET CURRENT ASSETS</b>			
		<b>2,707,124</b>	630,797
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>3,090,269</b>	907,943
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings - due after one year		—	10,909
Other long-term payable		<b>454</b>	682
		<b>454</b>	11,591
<b>NET ASSETS</b>			
		<b>3,089,815</b>	896,352
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>105</b>	—
Reserves		<b>3,009,876</b>	831,554
Equity attributable to owners of the Company		<b>3,009,981</b>	831,554
Minority interests		<b>79,834</b>	64,798
<b>TOTAL EQUITY</b>			
		<b>3,089,815</b>	896,352

## NOTES:

### 1. GENERAL INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 18 July 2007 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 22 June 2009 (the “Listing Date”). The immediate and ultimate holding company is Wellrun Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Chun Chi Wai, the founder shareholder of the Company. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite 4803, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, respectively.

The functional currency of the Company is United States dollar. The consolidated financial statements are presented in Hong Kong dollar for the convenience of the shareholders as the Company is listed in Hong Kong.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and by the Hong Kong Companies Ordinance.

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowings Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current and prior accounting periods.

## **HKAS 1 (Revised 2007) “Presentation of Financial Statements”**

HKAS 1 (Revised 2007) has introduced a number of terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

## **HKFRS 8 “Operating Segments”**

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group’s reportable segments (see note 3).

## **Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 “Financial Instruments: Disclosures”)**

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 <sup>1</sup>
HKFRSs (Amendments)	Improvements to HKFRSs 2009 <sup>2</sup>
HKAS 24 (Revised)	Related Party Disclosures <sup>3</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>1</sup>
HKAS 32 (Amendment)	Classification of Rights Issues <sup>4</sup>
HKAS 39 (Amendment)	Eligible Hedged Items <sup>1</sup>
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters <sup>5</sup>
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters <sup>6</sup>
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions <sup>5</sup>
HKFRS 3 (Revised)	Business Combinations <sup>1</sup>
HKFRS 9	Financial Instruments <sup>7</sup>
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement <sup>3</sup>
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners <sup>1</sup>
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>6</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>2</sup> Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2011

<sup>4</sup> Effective for annual periods beginning on or after 1 February 2010

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2010

<sup>6</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>7</sup> Effective for annual periods beginning on or after 1 January 2013

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments required the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

### **3. REVENUE AND SEGMENT INFORMATION**

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the board of directors of the Company) for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment financial information.

The Group is engaged in the principal business of metal recycling, involving the recycling of scrap metal into recycled ferrous and non-ferrous metals, which are the raw materials for a wide range of metallic end-products. The Group collects scrap steel, scrap copper and other scrap metals and processes them using advanced equipment to produce quality recycled scrap metals. From time to time, the Group also sells scrap metals collected directly to customers when the quality of such scrap metals meets certain required standards. The metals can be broadly classified into two categories:

- (i) ferrous metal, namely iron and steel; and
- (ii) non-ferrous metal, including copper, aluminium, etc.

The board of directors of the Company regularly reviews revenue analysis by two principal metals processed/sold by the Group and the Group's consolidated profit for the year for the purposes of resource allocation and performance assessment. As no other discrete financial information is available for the assessment of different business activities, no segment information is presented other than entity-wide disclosures.

## Entity-wide disclosures

The following is an analysis of the Group's revenue by principal metals for the year:

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Ferrous metal	<b>1,420,545</b>	2,291,541
Non-ferrous metal	<b>7,642,630</b>	4,235,053
	<b>9,063,175</b>	6,526,594

The Group's non-current assets are located in the places of domicile of the relevant group entities, namely the People's Republic of China (the "PRC"), Macau and Hong Kong. As at 31 December 2009 and 31 December 2008, substantially all of the Group's non-current assets are located in the PRC.

The following is an analysis of the Group's revenue by places of domicile and other places for the year:

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Place of domicile of relevant group entities		
– The PRC	<b>2,586,242</b>	3,561,417
Other places		
– The PRC	<b>5,854,144</b>	2,939,289
– Hong Kong	<b>572,623</b>	25,888
– Others	<b>50,136</b>	—
	<b>9,063,175</b>	6,526,594

Each of the three (2008: four) largest customers of the Group contributes more than 10% of the Group's revenue for the current year. Revenue of approximately HK\$2,254 million, HK\$1,589 million and HK\$1,572 million are attributed to these three customers, respectively, for the year ended 31 December 2009 (2008: approximately HK\$1,981 million, HK\$951 million, HK\$833 million and HK\$795 million, respectively) and are mainly attributable to non-ferrous metal sales.

## 4. OTHER INCOME

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income	<b>3,276</b>	6,657
Net exchange gain	<b>1,532</b>	14,365
Rental income	<b>567</b>	401
Others	<b>2,598</b>	575
	<b>7,973</b>	21,998

## 5. FINANCE COSTS

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans and overdrafts wholly repayable within five years	<b>9,414</b>	22,367
Effective interest expense on secured guaranteed senior notes	<b>111,011</b>	125,046
	<b>120,425</b>	147,413

## 6. INCOME TAX EXPENSE

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge (credit) comprises:		
PRC Enterprise Income Tax		
Current year	<b>24,950</b>	24,607
Overprovision in prior periods	—	(1,033)
	<b>24,950</b>	23,574
Underprovision of Hong Kong Profits Tax in prior years	—	10
Deferred taxation		
Current year	—	(544)
Effect of change in tax rate	—	(33)
	—	(577)
	<b>24,950</b>	23,007

No provision for Hong Kong Profits Tax has been made as the Group's subsidiaries in Hong Kong either had no assessable profit or incurred tax losses for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the relevant laws and regulations in the PRC, a PRC subsidiary of the Group, Guangzhou Asia Steel Co., Ltd. ("Guangzhou Asia Steel") is exempted from PRC Enterprise Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years. 2008 is the final year in which Guangzhou Asia Steel is subject to a 50% tax deduction.

Under Decree-Law no. 58/99/M, Central Steel (Macao Commercial Offshore) Limited ("Central Steel"), a Macau subsidiary incorporated under that Law (called "58/99/M Company"), is exempted from Macau Complementary tax (Macau income tax) as the 58/99/M Company does not sell its products to any Macau resident company during both years.

## 7. PROFIT FOR THE YEAR

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Directors' emoluments	<b>14,017</b>	3,141
Other staff costs	<b>32,064</b>	18,168
Retirement benefit scheme contributions, excluding those of directors	<b>2,180</b>	2,056
Total staff costs	<b>48,261</b>	23,365
Auditor's remuneration	<b>3,200</b>	2,680
Amortisation of prepaid lease payments	<b>3,460</b>	2,061
Depreciation of property, plant and equipment	<b>13,641</b>	11,021
Depreciation of investment properties	<b>39</b>	29
Listing expenses (included in other expenses)	<b>13,365</b>	—
Loss on disposal of property, plant and equipment	<b>63</b>	45
Operating lease rentals paid in respect of rented premises	<b>18,891</b>	9,902
Write-down of inventories (included in cost of sales)	<b>—</b>	10,000

Note: Cost of inventories recognised as an expense approximates cost of sales as shown in the consolidated statement of comprehensive income for both years.

## 8. DIVIDEND

No interim dividend was declared for the current year and no dividend was paid or proposed in respect of the year ended 31 December 2008.

The final dividend of HK12 cents in respect of the year ended 31 December 2009 per share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

## 9. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings:		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	<b>478,422</b>	294,431
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>881,438,356</b>	699,999,388
Effect of diluted potential ordinary shares as a result of the share options granted under the Pre-IPO share option scheme	<b>2,854,600</b>	—
Weighted average number of ordinary shares for the propose of diluted earnings per share	<b>884,292,956</b>	699,999,388

The weighted average number of ordinary shares used in the calculation of basic earnings per share for the year ended 31 December 2008 has been adjusted for the 699,998,999 shares issued pursuant to the capitalisation issue, which was assumed to occur at 1 January 2008.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options granted under the Post-IPO share option scheme because the exercise price of those options was higher than the average market price of the shares for the year ended 31 December 2009.

The computation of diluted earnings per share does not take into account the Warrants as set out and defined in note 13 as they are not dilutive.

## 10. TRADE AND OTHER RECEIVABLES AND DEPOSITS

The Group generally allows an average credit period of 30 to 90 days to its trade customers. The aged analysis of the Group's trade receivables, presented based on the invoice date at the end of the reporting period, is as follows:

	<b>2009</b>	<b>2008</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables:		
0 - 30 days	<b>803,486</b>	425,213
31 - 60 days	<b>678,539</b>	316,600
61 - 90 days	<b>513,299</b>	27,002
91 - 120 days	<b>199,040</b>	3,185
121 - 180 days	<b>80,826</b>	—
Over 180 days	<b>26,382</b>	256
	<b>2,301,572</b>	772,256

	<b>2009</b>	<b>2008</b>
	<i>HK\$' 000</i>	<i>HK\$' 000</i>
Other receivables and deposits:		
Deposits and prepayments	<b>31,297</b>	18,099
Deposits paid for purchase of raw materials	<b>94,037</b>	39,601
Other taxes recoverable	<b>95,643</b>	5,070
Others	<b>1,776</b>	547
	<u><b>222,753</b></u>	<u>63,317</u>
	<u><b>2,524,325</b></u>	<u>835,573</u>

## 11. BILLS RECEIVABLE

The amount represents bills on hand and bills discounted to banks with recourse with a maturity period of less than 180 days. At the end of the reporting period, these receivables are not yet due and the management considers the default rate is low based on past experience as the Group seldom encounters default on bills. The Group retains all the risks and rewards of discounted bills receivable and accordingly, the Group continues to recognise the full carrying amount of such bills receivable and has recognised the cash received on such discount as secured discounted bills liabilities.

## 12. TRADE AND OTHER PAYABLES

The aged analysis of the Group's trade payables, presented based on the invoice date at the end of the reporting period, is as follows:

	<b>2009</b>	<b>2008</b>
	<i>HK\$' 000</i>	<i>HK\$' 000</i>
Trade payables:		
0 - 30 days	585,871	12,425
31 - 60 days	191,996	5,729
61 - 90 days	111,288	1,122
91 - 120 days	32	520
121 - 150 days	44	—
Over 150 days	708	195
	<u>889,939</u>	<u>19,991</u>
Other payables:		
Accruals	12,916	7,008
Payables for acquisition of property, plant and equipment	1,659	2,830
Deposits received from customers	60,426	15,829
Other taxes payable	4,409	4,224
Others	12,447	2,448
	<u>91,857</u>	<u>32,339</u>
	<u><b>981,796</b></u>	<u><b>52,330</b></u>

The average credit period on purchase of goods is up to 60 days. The Group closely monitors its cash flows position to ensure that all payables are settled within credit time frame.

### 13. SECURED GUARANTEED SENIOR NOTES

On 23 October 2007 (the “Issue Date”), the Group issued US\$80,000,000 (equivalent to approximately HK\$624,000,000) 8.5% guaranteed senior notes to a group of institutional investors not related to the Group at a par value of US\$500,000 each (the “Senior Notes”). The Senior Notes bear coupon interest at 8.5% per annum, payable semi-annually in arrears and are denominated in United States dollar (“USD”). The Senior Notes are secured by substantially all the assets of the Group outside of the PRC and the entire issued shares of the Company and certain subsidiaries of the Company. The Senior Notes are also guaranteed by certain subsidiaries of the Company. Under the indenture governing the Senior Notes (“Indenture”), the Group is mandatorily required to redeem the Senior Notes in cash on 23 October 2009, being the maturity date of the Senior Notes, or upon the listing of the shares of the Company on the Stock Exchange (“Listing”), whichever is earlier. The above pledges and guarantees would also be released upon Listing. The redemption is at the Senior Notes redemption price amounting to 100% of the principal outstanding amount of the Senior Notes as of the date fixed for redemption, together with accrued interest to the next interest payment date.

In connection with the issuance of the Senior Notes, the Group also issued one warrant per Senior Note totalling 160 warrants (“Warrants”) to the holders of the Senior Notes. The Warrants entitled the holders to put the Warrants to the Group at the agreed Warrants redemption price (see the table set out below) upon (i) a primary public offering of the listing of shares of the Company on an internationally recognised stock exchange acceptable to the holders of the Senior Notes, which included the Stock Exchange (the “Qualified IPO”); (ii) if Listing shall not occur on or before the date that is 24 months after the Issue Date; or (iii) if any event of default as detailed in the Indenture shall occur under the Senior Notes (such date that is the earlier to occurrence of (i) and (ii)) (hereinafter (i) to (iii) are referred to as “Warrants Redemption Date”).

At the discretion of each holder of the Warrants, the Warrants may be either (a) cash settled or (b) equity settled, during the 24 months after the Issue Date upon the Qualified IPO in the following manner:

#### (a) Cash settled of Warrants

The Group shall redeem the Warrants for a price equal to the redemption price as follows:

<b>Warrants Redemption date</b>	<b>Warrants Redemption price</b>
On or before the date that is 6 months after the Issue Date	Number of Warrants x USD500,000 x 4.25%
After the date that is 6 months after the Issue Date but on or before the date that is 12 months after the Issue Date	Number of Warrants x USD500,000 x 8.86%
After the date that is 12 months after the Issue Date but on or before the date that is 18 months after the Issue Date	Number of Warrants x USD500,000 x 15.57%
After the date that is 18 months after the Issue Date but on or before the date that is 24 months after the Issue Date	Number of Warrants x USD500,000 x 21.72%
On the date that is 24 months after the Issue Date	Number of Warrants x USD500,000 x 19.28%

(b) **Equity settled of Warrants**

Within the 24 months after the Issue Date, holders of the Warrants are entitled to receive shares of the Company in lieu of cash for the above mentioned amounts calculated with reference to the offer price under the Qualified IPO.

The Senior Notes are accounted for as financial liabilities which are carried at amortised cost using the effective interest method.

In the opinion of the directors of the Company, the redemption feature of the Warrants represents additional borrowing cost of the Senior Notes, which will be incurred through with the passage of time. As a result, it is taken into account in the calculation of effective interest of the Senior Notes. In addition, the directors of the Company consider that the value of the conversion options adhered to the Warrants is insignificant at the date of issue, at the end of the reporting period and at the date of redemption.

Upon the Listing Date, the Group redeemed the Senior Notes together with accrued interest to the next interest payment date and settled the Warrants by cash at the Warrants redemption price as set out above. The pledges and guarantees in relation to the issuance of the Senior Notes were also released during the year following the redemption.

The movements of the Senior Notes of the Group are as follows:

	<i>HK\$000</i>
At 1 January 2008	624,718
Interest charge	125,046
Interest paid	(53,040)
	<hr/>
At 31 December 2008	696,724
Interest charge	111,011
Interest paid	(26,520)
Redemption upon Listing	(781,215)
	<hr/>
<b>At 31 December 2009</b>	<hr/> <hr/>

The effective interest rate applied is 19.36% per annum.

## **BUSINESS REVIEW AND OUTLOOK**

During the year ended 31 December 2009 (the “Year”), the Group has made steady growth in the aftermath of the 2008 financial crisis. Compared with the year of 2008, revenue has increased by 38.9% to HK\$9,063.2 million from HK\$6,526.6 million while profit attributable to owners of the Company has increased by 62.5% to HK\$478.4 million from HK\$294.4 million. The key drivers of the growth were China’s continuous strong demand of copper and recovery of the steel consumption during the Year.

In order to counter the global economic downturn during the year, the Chinese government committed to boosting investment and stimulating domestic consumption by making significant investment in projects of roads, railways and power grids. Demand for metals in China has been strong and is expected to remain strong. China-copper apparent consumption increased 29.2% to 6.7 million tons in 2009 from 5.2 million tons in 2008. On the other hand, China’s copper imports jumped to a record in February 2010, inbound shipments advanced 42% from January 2010 to 329,311 tons which is the highest level since 2003, according to the data by Bloomberg. Copper price has rebounded by over 140% to over US\$7,300 per ton during the Year, and China’s demand was a major driving force. Despite the ups and downs of the China steel industry such as the destocking in the first quarter of the Year, China’s crude steel production in 2009 reached 568 million tons, an increase of 13.5% from 2008. This is a record annual crude steel production figure for a single country. China’s share of world steel production continued to grow in 2009 to approximately 47% of worlds total crude steel production, an increase of 9% point compared to 2008. Scrap steel consumption in China increased 11.1% to 80 million tons in 2009 from 72 million tons in 2008. According to various reports, growth of metals demand in China is expected to remain robust as the need for more metals stemming from the 4 trillion economic stimulus package is expected to last for a few years. The Group has benefited from such strong demand of metals and achieved a higher gross profit margin for the Year. The volume of non-ferrous metals sold for the Year reached around 201,000 tons representing an impressive surge in sales volume of approximately 82.73% compared with around 110,000 tons for last year. The sales of ferrous scrap steel remained stable, with sales quantity for the Year totaling around 562,000 tons, compared with around 605,000 tons for last year, or a decrease of 7.1%.

22 June 2009 marked a major milestone for the Company which saw the successfully listing of the Company’s shares on the Main Board of the Stock Exchange. A net proceeds of approximately HK\$1,684.9 million was raised, of which approximately HK\$781.2 million was deployed in repaying the Group’s high cost debt, being the US\$80 million secured guaranteed senior notes issued by the Company in October 2007 (the “Senior Notes”), debt-to-equity ratio dropped from 93% as of 31 December 2008 to 15% as of 31 December 2009 and cash in hand of approximately HK\$554.4 million. The listing has also provided the Group with necessary capital to continue our regional expansion and provided a good platform to access capital markets.

Since the listing, the Group has progressed and achieved the strategic initiatives that we committed to the shareholders in the past to speed up our regional expansion. As a first mover in the industry, the Group has adopted an inorganic approach to maintain the relative advantages, ranging from forming joint ventures with or outright acquisitions of major scrap metal recyclers in the region. This approach reinforces the presence of the Company in the region promptly and presents the Company with a suitable and immediate platform for both suppliers and customers to further develop the metal recycling business in the region. The total production capacity of the Group will be increased from 3.10 million tons in 2009 to 4.10 million tons, as a result of which, our leading position in the Chinese market will be further enhanced.

For the Eastern China operation, the Group has formed a 70%-owned joint venture with 江陰市夏昌物資再生利用有限公司 (Jiangyin Xiachang Materials Recycling Company Limited) “Xiachang”) on 10 November 2009. With a designed annual capacity of 250,000 tons, Xiachang is one of the leading metal recyclers in the region. Sharing the aim to adopt modern way towards metal recycling, Xiachang was awarded by the China Association of Metal Scrap Utilization as the role model for scrap metal distribution base in 2005. Xiachang has a long operating history in the region and established a base of quality customers and an extensive suppliers network. On 31 December 2009, the Group has entered into agreements to acquire a 99.68% interest in 江蘇江陰港集裝箱有限公司 (Jiangsu Jiangyin Port Container Company Limited) (“Jiangyin Container”) for an aggregate consideration of RMB220 million (equivalent to approximately HK\$248.6 million). The port operated and owned by Jiangyin Container is a national type 1 port, has a shore line of 570 meters and water depth of -15 meters, with an operational area of approximately 170,000 square meters and an annual handling capacity of approximately 5 million tons. This will become an exclusive port for processing, handling and logistics to serve as the Group’s hub centre in the Eastern China region. This substantially improves the Company’s operational efficiency and competitiveness in the region and lowers the transportation costs. In addition, this will connect, by water transportation, the Group’s recycling centers in Northern and Southern China, thus effectively expanding our sales and distribution network coverage. In addition, our Ningbo city facility has been in operation since December 2009. The Ningbo city base has an area of 67,000 sq. metres. Its processing capacity of the shredder ranges from 120 tons to 150 tons per hour, which increases the Group's production capacity by 500,000 tons and contributes the fruitful results to the Group. In addition, the Group has added Baosteel Group as one of the key target customers in 2010.

For the Northern China operation, the Company entered into a letter of intent with 天津國能投資有限公司 (Tianjin Guoneng Investment Co., Ltd.) (“TGIC”) on 14 April 2010 to acquire from TGIC the entire equity interest in its wholly owned subsidiary 天津國能資源發展公司 (Tianjin Guoneng Resources Development Corporation) (“Guoneng Development”). Guoneng Development is one of the largest scrap metal companies in the Northern China with annual sales of scrap metals exceeding 600,000 tons. Its total sales of scrap metals for the period from 2007 to 2009 exceeded 1,200,000 tons (including the sales of its predecessor). It has built up an established and long-term quality customers and suppliers base in the region. Guoneng Development has been one of the major suppliers to Tianjin Steel Pipe Co. Ltd (天津鋼管集團股份有限公司) (“Tianjin Pipe”), the largest scrap metal consumer in Tianjin. Guoneng Development was selected as the first batch of recycling materials collection construction project (再生資源回收體系建設項目) by the Tianjin Commission of Commerce. The acquisition of TGIC built solid foundation for the business development in the Northern China region. In addition, the Group has already started the business relationship with Tianjin Pipe in 2010.

For the Southern China operation, the production capacity of Lianzhong Stainless Steel Corporation, one of the major customers of the Group, doubled and amounted to 2 million tons at the end of 2009, resulting in an increasing demand for the products of the Group. In addition, the facilities in Zhongshan city commenced operation in February 2010 with an area of 30,000 sq. metres.

For Central China operation, it is expected that the facilities in Wuhan city will commence operation in the third quarter in 2010. The Wuhan city base with a total area of 118,000 sq. metres will increase the Group's production capacity by 500,000 tons.

The listing status of the Company has also provided the Group with a robust platform to access to capital markets. On 29 December 2009, the Company has signed comprehensive cooperation agreements with 中國工商銀行股份有限公司江陰支行 (Industrial and Commercial Bank of China Limited, Jiangyin Sub-Branch) (“ICBC”), 中國農業銀行股份有限公司江陰支行 (Agricultural Bank of China Limited, Jiangyin Sub-Branch) (“ABC”), 中國建設銀行股份有限公司無錫分行 (China Construction Bank Limited, Wuxi Branch) (“CCB”) and 中國交通銀行股份有限公司江陰支行 (Bank of Communications Co., Ltd., Jiangyin Sub-Branch) (“BOC”) pursuant to which ICBC, ABC, CCB and BOC have agreed to grant integrated credit facilities of up to RMB1,000 million, RMB1,000 million, RMB1,000 million and RMB500 million to the Group respectively (“RMB3.5 Billion Integrated Credit Facilities”). The RMB3.5 Billion Integrated Credit Facilities mainly include working capital loan, trade finance facility and international business finance facility. The Company considers that the RMB3.5 Billion Integrated Credit Facilities will provide sufficient working capital and strong support to the Eastern China operation as well as facilitating the overall development of the Group.

In February 2009, the State Council of China has passed a new regulation (number 551) (the “Regulation”) effective January 2011 that regulates the collection and recycling of scrap home appliances products, for the protection of the environment and promotion of the recycling industry. The Regulation encourages home appliances manufacturers, retailers and metal recyclers to form alliances on home appliances recycling system. The Group has been in discussions with various parties on various forms of cooperations in response to the State’s policy.

Looking forward to 2010, the Group will adhere to its core competitive advantages to respond to market changes. 2010 is the first full year of operations of the Group’s multiple regions and effects from investments in the past 2 years will be reflected. The growth in 2010 will be substantial and Eastern China and Northern China regions will be the main growth drivers of the Group. The Group has already achieved a total sales quantity of approximately 340,000 tons during the first quarter of 2010, representing approximately 48% of the sales quantity in 2009.

Metal recycling is an industry with sustainable development and echoes Chinese central government’s objective to develop a renewable economy. The metal recycling industry is in its initial stage of development. The industry is fragmented with out-dated facilities and management, which are unable to satisfy the needs for the development of metal industry. Large-scale consolidation is essential so as to develop a business model with major processing and distributing integrated bases with scalable operation and modern management. As the industry leader and leveraging on our scalable operation, strategic national market coverage, optimised land and water transportation networks, high-quality customers and suppliers networks and the good financing platform as a listing company, the Group is well positioned to be the industry consolidator, grasping the development opportunities in the industry to satisfy the extensive market demand.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group for the year ended 31 December 2009 was HK\$9,063.2 million (2008: HK\$6,526.6 million), representing an increase of 38.9% as compared to last year.

Increase in the Group’s revenue was mainly attributable to the significant increase in the sales of non-ferrous scrap metals, mainly copper, during the year. We have entered into more long-term contracts with overseas suppliers for non-ferrous scrap metals, thus securing their supply of this high demand metal.

## **Other Income**

Other income, including mainly interest income, rental income and exchange gain, was decreased by 65.1% from HK\$22.0 million for last year to HK\$8.0 million. The decrease was mainly due to the decrease in exchange gain by HK\$12.8 million because Renminbi did not further appreciate against US dollars in the year.

## **Distribution and Selling Expenses, Administrative Expenses and Other Expenses**

For the year ended 31 December 2009, distribution and selling expenses amounted to HK\$6.6 million, representing a decrease of 16% compared with last year. The decrease was due to tighter control on expenditures since the economic downturn from the second half of 2008.

Administrative expenses including staff salaries, depreciation expenses and other general administration expenses amounted to HK\$83.5 million, representing an increase of 67.7% over that of HK\$49.8 million for last year. The increased was mainly attributable to the increase in directors and administration staff; and expenses incurred by the Company for the purpose of expanding its operations. The Group recognized total expenses of HK\$15.1 million for the year in relation to share options granted by the Company under two share option schemes adopted by the Company.

Other expenses amounted to HK\$13.4 million, representing professional fees and listing related expenses for the Company's listing in June 2009.

## **Changes in Fair Value of Derivative Financial Instruments**

It represents the gain or loss arising from the changes in fair value of the metal commodity future contracts used to hedge against the Group's purchases and inventory. Metal commodity prices have been increasing during the year and resulted in losses on those commodity future contracts used to hedge against the corresponding spot purchase or inventory.

It is the policy of the Group not to enter any derivative contracts purely for speculative purpose.

## **Finance Costs**

Finance costs decreased by 18.3% from HK\$147.4 million to HK\$120.4 million, mainly due to the interest expenses of the Senior Notes. Under the terms of the Senior Notes, in the event that the Senior Notes were redeemed between interest dates (23 April and 23 October of each year), the Group would be required to pay the principal amount of the Senior Notes together with accrued and unpaid interest to the next interest payment date. The Senior Notes were redeemed on 23 June 2009 as triggered by the listing of the Company, and interest accrued from 24 April 2009 to 23 October 2009 was paid upon redemption. Total interest accrued for the year ended 31 December 2009 (approximately 10 months) amounted to HK\$111.0 million was paid and recorded as finance costs for the year, whereas interest of HK\$125.0 million for 12 months was accrued for the year ended 31 December 2008.

## **Profit Attributable to Owners of the Company and Dividend**

The profit attributable to owners of the Company for the year ended 31 December 2009 grew by 62.5% to HK\$478.4 million as compared with HK\$294.4 million for the last year.

No interim dividend for the first half of the current year was declared to the shareholders. For the year ended 31 December 2009, the directors have proposed a final dividend of HK12 cents per share, which will aggregate to approximately HK\$125.4 million.

## **Working Capital**

The inventory turnover of the Group was 22 days for the year ended 31 December 2009 as compared to 12 days for the last year.

The Group's debtors' turnover (including both trade debtors and bills receivable) was 73 days for the year ended 31 December 2009 as compared to 52 days for the last year. The Group generally allows average credit periods of 30 to 60 days and 30 to 90 days to its ferrous and non-ferrous customers, respectively. The increase was primarily due to higher business volume and longer credit period allowed to non-ferrous customers with long-term business relationship.

The Group's creditors' turnover was 20 days for the year ended 31 December 2009 as compared to 14 days for the last year. Credit periods granted by the Group's suppliers ranged up to 60 days. The increase was primarily induced by the increase in the turnover days of the trade debtors and bills receivables. As a result, the Group sought longer credit periods and support from the suppliers.

## **Liquidity, Financial Resources and Capital Structure**

As at 31 December 2009, the Group has net current assets of HK\$2,707.1 million (2008: HK\$630.8 million) of which cash and bank deposits were HK\$827.1 million (2008: HK\$419.4 million).

Total borrowings, including discounted bills, were HK\$591.4 million (2008: HK\$1,140.9 million). They were mainly used to finance the purchases of the Group. The borrowings are denominated in Hong Kong dollars, United States dollars and Renminbi, of which HK\$392.7 million were at fixed rates and HK\$451.6 million were repayable within one year.

The Group's gearing ratio as at 31 December 2009 (total borrowings divided by total assets) was 12.5% (2008: 54.3%).

The Group's transactions and the monetary assets are principally denominated in Renminbi, Hong Kong dollars and United States dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year.

The Group adopts centralized financing and treasury policies in order to ensure the Group's funding is utilized efficiently. Conservative approach is adopted on monitoring foreign exchange exposure and interest rate risk. Forward contracts were used to hedge the foreign currency exposure in trading activities when it was considered appropriate.

The Group's liquidity position remains strong and the Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements. This strong cash position enables the Group to explore investment and business development opportunities when expanding its market share in China.

### **Capital Expenditure and Capital Commitments**

In order to enhance production capacity, the Group invested approximately HK\$93.7 million (2008: HK\$66.1 million) during the year in the acquisition of new fixed assets. These mainly represented the construction in progress and machinery, deposits paid for land use rights and acquisition of machineries for various plants in China. As at 31 December 2009, the Group made capital expenditure commitments of approximately HK\$306.5 million (2008: HK\$65.7 million) which were contracted but not provided for in the financial statements. These commitments were mainly related to the acquisition of Jiangyin Container which amounted to HK\$250 million, the remaining amounts were related to machinery for the expansion of the Group's production capacity.

### **Contingent Liabilities**

As at 31 December 2009, the Group had no material contingent liabilities.

### **Charges on Group Assets**

As at 31 December 2009, the Group's banking facilities were mainly collateralised by certain bills receivable amounted to HK\$185.3 million (2008: HK\$304.6 million), bank deposits amounted to HK\$210.4 million (2008: HK\$72.5 million), and certain land and buildings of the Group of approximately HK\$4.5 million (2008: HK\$4.6 million).

### **Employees and Remuneration Policies**

As at 31 December 2009, the Group had a workforce of more than 400 people. Salaries of employees are maintained at competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. The Group has share option schemes whereby employees of the Group are granted options to acquire shares in the Company.

Good relationship has been maintained between the Group and its employees. The Group also provides internal training to staff and provides bonuses based upon staff performance and profits of the Group.

## **FUNDS RAISED BY THE COMPANY'S INITIAL PUBLIC OFFERING AND USE OF PROCEEDS**

The Company was listed on the Stock Exchange during the year and proceeds, less listing expenses, amounted to approximately HK\$1,684.9 million, was raised by the public offering. During the year ended 31 December 2009, the net proceeds were utilised as follows:

	<i>HK\$'million</i>
Redemption of secured guaranteed senior notes	781
Purchase of inventory	449
Deposits paid for acquisition of property, plant and equipment	33
Purchase of property, plant and equipment	20
Deposits paid for land use rights	18

The remaining balance of the net proceeds was deposited in banks in the People's Republic of China and Hong Kong and will be used for the intended uses as set out in the Prospectus.

## **ANNUAL GENERAL MEETING**

The annual general meeting is to be held on Thursday, 27 May 2010 and the notice of the 2010 annual general meeting will be published and dispatched to the shareholders of the Company within the prescribed time and in such manner as required by the Listing Rules.

## **FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBER**

The Board has proposed a final dividend of HK12 cents per ordinary share for the year ended 31 December 2009 subject to the approval of the shareholders at the forthcoming annual general meeting. Upon approval of the shareholders, the proposed final dividend will be paid on about 7 June 2010 to the shareholders whose names appear on the register of members of the Company as at 27 May 2010.

The register of members of the Company will be closed from Tuesday, 25 May 2010 to Thursday, 27 May 2010, both days inclusive. During such period, no transfer of shares will be registered. In order to qualify for the proposed final dividend and for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24 May 2010.

## **MATTERS IN RELATION TO THE ANNOUNCEMENT DATED 17 NOVEMBER 2009**

Further to the Company's announcement dated 17 November 2009 in relation to, among others, a senior management report (the "Report") addressing certain queries raised by Mr. Wong Hok Leung. The Board discussed the Report on 19 April 2010 and concurred, with reference to independent advice from Kingsway Capital Limited, with the conclusion that to the best knowledge of senior management, there was no material irregularity discovered in relation to the queries raised by Mr. Wong Hok Leung.

## **AUDIT COMMITTEE**

The Group's consolidated financial statements for the year ended 31 December 2009 have been reviewed by the audit committee of the Company, which is of the opinion that such statements comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

## **CORPORATE GOVERNANCE PRACTICES**

Throughout the period and after the listing of the shares of the Company on the Stock Exchange on 22 June 2009 up to 31 December 2009 (the "Relevant Period"), in the opinion of the directors, the Company has followed the principles and complied with all applicable code provisions under the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules, save for the deviation from code provision A.2.1 as follows.

Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive officer should be separate and should not be performed by the same individual.

Mr. Chun Chi Wai currently holds both the offices of Chairman and Chief Executive Officer of the Company. The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority within the Board as all major decisions are made in consultation with members of the Board as well as the senior management of the Company.

The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

## **COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES**

The Company has adopted a code of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office in the Group, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities) of the Group (the "Own Code") on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry of all directors, all the members of the Board have confirmed that they have complied with the required standard as set out in the Model Code and the Own Code throughout the Relevant Period. No incident of non-compliance of the Own Code during the Relevant Period by the senior management and relevant employees was noted by the Company.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2009 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinametalsrecycle.com](http://www.chinametalsrecycle.com)). The annual report of the Company for the year ended 31 December 2009 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and posted on the above websites in due course.

On behalf of the Board

**China Metal Recycling (Holdings) Limited**

中國金屬再生資源(控股)有限公司

**CHUN Chi Wai**

*Chairman and Chief Executive Officer*

19 April 2010

*As at the date of this announcement, the Board of the Company comprises Mr. Chun Chi Wai (Chairman and Chief Executive Officer) and Mr. Jiang Yan Zhang as executive Directors, Ms. Lai Wun Yin as non-executive Director, and Mr. Chan Iu Seng, Mr. Chan Kam Hung and Mr. Leung Chong Shun as independent non-executive Directors.*