

**9 July 2018**

**For immediate release**

**THE INFORMATION COMMUNICATED IN THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION EU NO. 596/2014 ("MAR").**

**Zibao Metals Recycling Holdings Plc**

("Zibao" or "the Company" or "the Group")

**Impact of new regulation**

Between January and April 2018, China's Ministry of Ecology and Environment ("MEE") made various announcements banning the importation of 32 types of scrap materials including plastic waste and unsorted waste paper (which the MEE labels as "solid waste"). In addition, the MEE announced the imposition of tighter quality standards on all scrap imports beginning March 1, 2018. Such scrap imports include the metal scrap which the Group buys directly or indirectly from overseas.

The Company has been evaluating the potential impact of these new regulations on the business as a whole. Whilst there has been no discernible impact on the financial year ended 31 March 2018, the Board is now of the view that the types of products and quantities which the Company can purchase from its current suppliers will be significantly reduced in the current financial year to 31 March 2019. The Group is still in the process of exploring new sources of supply and remains cautious as to the speed of transition to new supply arrangements. In the meantime, the Group has undertaken a cost review to cut costs wherever possible, in order to mitigate the anticipated fall in revenues as best as practicable.

The Company will keep shareholders updated with its progress in securing the new supplies as appropriate.

The Company will look to announce its final results, for the year ended 31 March 2018, in early September.

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