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China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鈹磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00893)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 49% EQUITY INTEREST OF MANCALA HOLDINGS LIMITED AND INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE TRANSACTION

The Board is pleased to announce that on 30 December 2016 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Sale Shares, representing 49% of the entire issued share capital of the Target at an aggregate consideration of HK\$38,200,000, which shall be satisfied by the payment of a Cash Consideration of HK\$3,200,000 and the allotment and issue of the Consideration Shares in the aggregate value of HK\$35,000,000 at the Issue Price of HK\$0.365 per Consideration Share to the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement.

The Consideration Shares will be issued under the General Mandate and will rank *pari passu* in all respects with all the Shares then in issue.

An application for the listing of, and permission to deal in, the Consideration Shares will be made by the Company to the Stock Exchange.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceed 5% but below 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Transaction contemplated under the Sale and Purchase Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 30 December 2016 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Sale Shares, representing 49% of the entire issued share capital of the Target at an aggregate consideration of HK\$38,200,000, which shall be satisfied by the payment of a Cash Consideration of HK\$3,200,000 and the allotment and issue of the Consideration Shares in the aggregate value of HK\$35,000,000 at the Issue Price of HK\$0.365 per Consideration Share to the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement.

Principal terms of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date

30 December 2016 (after trading hours)

Parties

- (i) the Company;
- (ii) the Vendor; and
- (iii) the Target.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor, the Target and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules) as at the date of the Sale and Purchase Agreement.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Sale Shares, representing 49% of the entire issued share capital of the Target as at the date of the Sale and Purchase Agreement.

Following the Restructuring Exercise, which will take place at or prior to Completion, the Target will be the legal and beneficial owner of the entire issued share capital of MHPL. The MHPL Group is principally engaged in the provision of specialist mining services such as raised boring, shaft excavation, engineering services and other mining services. Please refer to the section headed "Information on the Target Group" in this announcement.

Consideration

The Consideration payable by the Company to the Vendor for the Sale Shares shall be HK\$38,200,000, which shall be satisfied by:

- (i) the payment of the Cash Consideration of HK\$3,200,000, which shall be set off against the Refundable Deposit on Completion; and
- (ii) the allotment and issue of the Consideration Shares in the aggregate value of HK\$35,000,000 at the Issue Price of HK\$0.365 per Consideration Share to the Vendor. Such Consideration Shares will be credited as fully paid and free from all encumbrances and will rank *pari passu* in all respects with all the Shares then in issue. Subject to Completion taking place, the Consideration Shares will be allotted and issued within five Business Days from the Completion Date or such other date as may be agreed between the Company and the Vendor.

The Refundable Deposit shall be refunded to the Company in full if the Conditions Precedent are not fulfilled or waived (as the case may be) by the Long Stop Date or if the Company elects to terminate the Sale and Purchase Agreement on the ground of a breach by another Party of its obligation on Completion.

Basis of Consideration

The Consideration payable in respect of the Sale Shares has been arrived at after arm's length negotiations between the Company and the Vendor and was determined with reference to:

- (i) the operational capabilities and track records of the MHPL Group in the fields of raised boring, shaft excavation and mining services in the resource sector;
- (ii) the experience of the MHPL Group in the provision of mining services; and
- (iii) the net assets value of the Target Group as at 30 June 2016.

The Issue Price of HK\$0.365 per Consideration Share represents:

- (i) a premium of approximately 14.1% to the closing price of HK\$0.320 per Share as quoted on the Stock Exchange on 30 December 2016, the date of the Sale and Purchase Agreement;
- (ii) a premium of approximately 14.4% over the average closing price of approximately HK\$0.319 per Share as quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (iii) a premium of approximately 10.9% over the average closing price of approximately HK\$0.329 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The Issue Price of HK\$0.365 per Consideration Share was arrived at after arm's length negotiation between the Company and the Vendor with reference to the trading price of the Shares over the last 30 days and current market conditions. The Directors consider that the Issue Price is in the interests of the Company and the Shareholders as whole.

Consideration Shares

The Consideration Shares, comprising 95,890,410 Shares, will be allotted and issued under the General Mandate within five Business Days following the Completion Date or such other date as may be agreed between the Company and the Vendor. Under the General Mandate, the Directors are allowed to allot and issue up to 415,000,000 Shares. Accordingly, the issue of the Consideration Shares is not subject to any further approval by the Shareholders. The Consideration Shares represent approximately 4.62% of the issued share capital of the Company as at the date of this announcement and approximately 4.42% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Consideration Shares will, upon issue, be credited as fully paid, and will rank *pari passu* in all respects with all the Shares then in issue.

An application for the listing of, and permission to deal in, the Consideration Shares will be made by the Company to the Stock Exchange.

The Vendor shall not dispose of, realise or transfer all or any part of the Consideration Shares for a period of 6 months following Completion except with the prior written consent of the Company. Where the Company has consented to a transfer of the Consideration Shares by the Vendor, the Vendor shall procure the transferee to comply with the same transfer restriction.

Loan

The Company may, at its own discretion, provide an interest free loan of up to HK\$32,500,000 to the MHPL Group after Completion. Such loan, if any, shall be secured by an additional floating charge over the equipment of the MHPL Group or such other security as may be required by the Company; and subject to the terms of any formal agreement to be entered into between the Company and the MHPL Group.

Conditions Precedent

Completion is conditional upon the following Conditions Precedent having been fulfilled or waived (as the case may be):

- (i) the Company has completed a due diligence review of the financial, business, operating and legal position of the Target Group, and all such other matters as deemed necessary by the Company in its absolute discretion, in relation to the Target Group, and the Company is satisfied with the results of such review;
- (ii) the Target and the Vendor have obtained such approval(s) from their respective board of directors and/or shareholders in connection with the Sale and Purchase Agreement and the Transaction as may be necessary;
- (iii) the relevant Target Group Company and the Vendor have obtained all necessary third party, governmental and regulatory consents, approvals and waivers (including but not limited to, where applicable, approval from the SGX-ST) where required for the Transaction (including the Restructuring Exercise), and the Company has received a copy of each such consents, approvals and waivers in such form and substance satisfactory to the Company, and such consents, approvals and waivers have not been amended or revoked before Completion, and if any such consents, approvals or waivers are subject to conditions, such conditions are acceptable to the Company;
- (iv) the Company has obtained such approval(s) from its board of directors and/or shareholders in connection with the Sale and Purchase Agreement and the Transaction as may be necessary;
- (v) the Company has complied with all applicable disclosure, shareholders' approval, if required, and other requirements under the Listing Rules for the Transaction;
- (vi) the Stock Exchange has approved the application for the listing of and permission to deal in the Consideration Shares and such approval has not been withdrawn or revoked before Completion;
- (vii) the Vendor and the Target have procured the irrevocable waiver and/or discharge of any and all encumbrances, rights of pre-emption, or other restrictions on transfer in respect of the Sale Shares conferred on any other person under the articles of association or otherwise, if and where applicable;

- (viii) all other applicable consents, approvals and waivers (whether governmental, regulatory or otherwise) have been granted for the Transaction, and such consents, approvals and waivers have not been withdrawn or revoked by third parties (including without limitation, any governmental bodies, securities exchanges and other relevant authorities), and if such consents are obtained subject to any conditions and where such conditions affect any of the parties, such conditions are acceptable to the party concerned;
- (ix) the listing and quotation of the Shares of the Company on the Stock Exchange have not been halted or suspended (other than any temporary suspension or halt in the trading of the Shares, pending the publication of an announcement in relation to the Transaction on the Stock Exchange or for any other reason, in compliance with the Listing Rules) and the Shares of the Company are not de-listed or subject to any delisting procedures prior to and on Completion;
- (x) all representations, warranties and undertakings of the Parties under the Sale and Purchase Agreement are complied with, true, accurate and correct in all material respects as at the date of the Sale and Purchase Agreement and each day up to and including the Completion Date; and
- (xi) the Restructuring Exercise has been completed to the Company's satisfaction and the Company has received such documents evidencing the completion of the Restructuring Exercise.

The Company and/or the Vendor may waive any of the above Conditions Precedent on or before the Completion Date (except the Conditions Precedent set out in paragraphs (ii) to (vi) above, which cannot be waived by any Party).

If any of the Conditions Precedent is not fulfilled or waived on or before the Long Stop Date, the Sale and Purchase Agreement will be terminated and in that event, the Parties shall be released and discharged from their respective obligations under the Sale and Purchase Agreement other than any provision which is intended to survive the termination of the Sale and Purchase Agreement or in respect of any antecedent breach.

Completion

Completion shall take place on the Completion Date.

On Completion, the Parties shall comply with their respective completion obligations pursuant to the terms and conditions of the Sale and Purchase Agreement.

Upon Completion, subject to compliance with applicable laws, the Listing Rules and the memorandum and articles of association of the Company, the Vendor shall have the right to nominate the appointment of one director to the Board provided that such person (who shall be an individual) nominated by the Vendor to the Board shall not be a person who:

- (i) controls more than half of the voting power of the Vendor;
- (ii) holds or owns more than half of the issued share capital of the Vendor;
- (iii) controls the composition of the board of directors of the Vendor; or
- (iv) is an associate (as defined in the Listing Rules) of any person referred to in (i) to (iii) above.

The Target will provide in favour of the Company a share charge over 49% of the issued share capital of MHPL.

EFFECT ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after the allotment and issue of the Consideration Shares upon Completion is as follows:

| Shareholders | As at the date of this announcement | | Immediately after the allotment and issue of Consideration Shares upon Completion | |
|--|--|------------------|--|------------------|
| | <i>No. of shares</i> | <i>Approx. %</i> | <i>No. of shares</i> | <i>Approx. %</i> |
| Trisonic International Limited ("Trisonic International") and parties acting in concert (<i>Notes</i>) | 1,006,754,000 | 48.52% | 1,006,754,000 | 46.38% |
| The Vendor | – | – | 95,890,410 | 4.42% |
| Other public shareholders | 1,068,246,000 | 51.48% | 1,068,246,000 | 49.20% |
| | <u>2,075,000,000</u> | <u>100%</u> | <u>2,170,890,410</u> | <u>100%</u> |

Notes:

- (1) As at the date of this announcement, Trisonic International was interested in 1,006,754,000 Shares. The issued share capital of Trisonic International was owned as to 3% by Mr. Li Hesheng, 42.6% by Mr. Wang Jin, 7.2% by Mr. Shi Yinjun, 7.2% by Mr. Zhang Yuangui, and 40% by Kingston Grand Limited ("Kingston Grand").

- (2) Long Sino International Limited was interested in the entire issued share capital of Kingston Grand.
- (3) Mr. Zou Hua was interested in the entire issued share capital of Long Sino International Limited. Ms. Jiang Hua was the spouse of Mr. Zou Hua.
- (4) Since Trisonic International, Kingston Grand, Messrs. Wang Jin, Yang Xianlu, Wu Wendong, Li Hesheng, Shi Yinjun, Long Sino International Limited, Mr. Zou Hua and Ms. Jiang Hua were parties acting in concert, they were deemed to be interested in 1,006,754,000 Shares held by Trisonic International.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Singapore with limited liability, whose shares are listed on the SGX-ST. It is an investment management and holding company with principal subsidiaries that engage in engineering, procurement, and construction (EPC) businesses. It also owns an Australian-based mining services business.

INFORMATION ON THE TARGET GROUP

The Target

The Target is a company incorporated in the Cayman Islands with limited liability, and is principally engaged in investment holding. As at the date of this announcement, the Target is a wholly-owned subsidiary of the Vendor.

MHPL is a private company incorporated in Australia in 1990 and the MHPL Group is principally engaged in the business of providing specialist mining services, which include raised boring, shaft excavation, engineering services and other mining services.

The MHPL Group began its operations as a narrow vein mining company supplying high grade lead/zinc ore. Subsequently, it expanded to provide mining services, eventually establishing itself as a shaft construction provider within the Eastern Australia mining sector. The MHPL Group, in association with a German manufacturer of tunnel boring machines, has developed MVM1100, a new boxhole technology based on pipe jacking method which aims to increase work safety and productivity. The MHPL Group is experienced in the provision of specialist mining services and has completed more than 100 projects since its incorporation. The MHPL Group also has had international operational experience in Botswana, New Zealand, Papua New Guinea, Fiji and more recently, in Vietnam.

The MHPL Group has won the 2016 Training and Development award from the Australian Mines and Metals Association, in recognition of its implementation of effective training programme (in line with Australian training standards) for its major underground nickel mine development and production contract in Vietnam. This award recognised that all training goals have been met with no lost-time injuries and operating performance for the nickel mine in Vietnam has consistently exceeded budget targets. The relevant training program provided to local Vietnamese workforce has improved productivity via new and creative tools and techniques.

The key management of MHPL

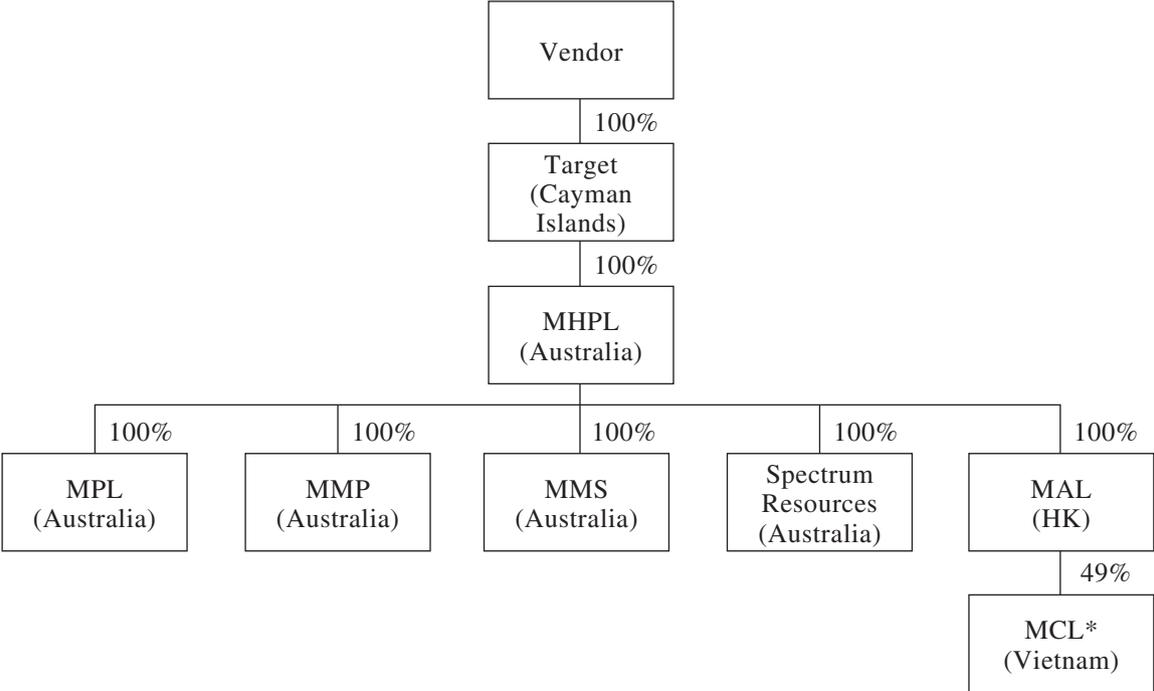
Mr. Martin Kyne (aged 66, chief executive officer and director of MHPL) holds a Bachelor of Engineering Degree (Civil) from Swinburne University of Melbourne and is a member of the Institution of Engineers, Australia and Australian Institute of Company Directors. He has extensive experience in the mining and construction industry, particularly in equipment and project management.

Mr. Francis William Lannen (aged 63, director of MHPL) holds a Bachelor of Engineering Degree with Honours from the University of Sydney. He is a member of the Australasian Institute of Mining & Metallurgy and is a certified mine manager in New South Wales and Tasmania, Australia. He is responsible for marketing, technical services and innovation in relation to the business of the MHPL Group.

Mr. Tim Akerman (aged 52, director of MHPL) holds a Bachelor of Science Degree with Honours (Geology) from the University of Tasmania. He is a member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Company Directors. He is responsible for projects evaluation, development and implementation in relation to the business of the MHPL Group.

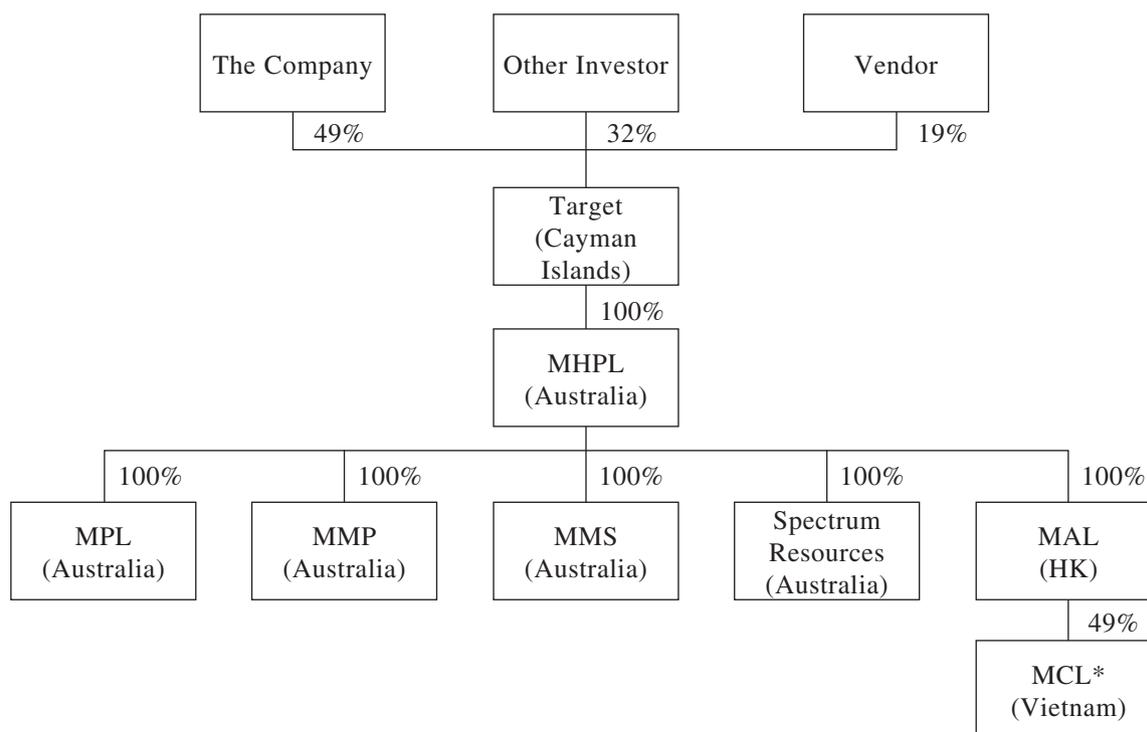
Mr. Michael Bolting (aged 53, chief operating officer of MHPL) holds a Bachelor of Engineering Degree in Mining Engineering from the South Australian Institute of Technology (now known as University of South Australia). He is a member of the Australasian Institute of Mining & Metallurgy, and is or is otherwise recognised as a certified mine manager in Western Australia, Queensland and Victoria, Australia. He has extensive experience in the mining industry and in roles ranging from mining engineer, mine manager, general manager and chief executive officer. He is responsible for all projects, occupational health safety, human resource and technical services in relation to the business of the MHPL Group.

Set out below is the shareholding structure of the Target Group after the Restructuring Exercise and immediately before the Completion:



As advised and confirmed by the Vendor, on the same date of this announcement, the Vendor has entered into a separate sale and purchase agreement with an individual investor, who is a director and shareholder of a registered fund management company with the Monetary Authority of Singapore (the “**Other Investor**”) in relation to a proposed sale of 32% shareholding interest in the Target (the “**Relevant Disposal**”). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Other Investor is a third party independent of the Company and its connected persons. The execution of any agreement in relation to the Relevant Disposal or completion of the Relevant Disposal is not a condition precedent to the Completion.

Set out below is the shareholding structure of the Target Group immediately after the Completion and the Relevant Disposal:



* As MAL is contractually entitled to appoint a majority of the members to the members' council of MCL, and to control the operation of MCL, MCL is a subsidiary of MAL.

Financial information on the Target Group

Set out below is the audited consolidated financial information on the MHPL Group for (i) the 12 months ended 30 June 2013, (ii) the 18 months ended 31 December 2014 and (iii) the 12 months ended 31 December 2015:

| | For the 12 months ended 30 June 2013 A\$'000 (audited) | For the 18 months ended 31 December 2014 # A\$'000 (audited) | For the 12 months ended 31 December 2015 A\$'000 (audited) |
|--------------------------|--|--|--|
| Revenue | 50,645 | 82,479 | 53,122 |
| Profit/(loss) before tax | (5,221) | 2,678 | 3,974 |
| Profit/(loss) after tax | (5,721) | 1,911 | 2,453 |
| EBITDA* | 40 | 10,920 | 8,654 |

| | As at 30 June 2013 A\$'000 (audited) | As at 31 December 2014 A\$'000 (audited) | As at 31 December 2015 A\$'000 (audited) |
|-------------------|---|---|---|
| Total assets | 51,471 | 48,809 | 49,498 |
| Total liabilities | 42,098 | 36,811 | 34,557 |
| Net assets | 9,373 | 11,998 | 14,941 |

As a result of the change of financial year end date of MHPL from 30 June to 31 December during 2014, in order to align with the financial year end date of the Vendor, the consolidated financial information covered a 18 months period from 1 July 2013 to 31 December 2014 and the figures are not entirely comparable.

* EBITDA has been derived from profit/(loss) before tax and adding back interest and finance costs and depreciation.

The above financial information has been extracted from the annual reports of MHPL for the financial years ended 31 December 2014 and 2015 which were prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and audited by KPMG.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is an investment holding company and the Group is primarily engaged in the business of mining, ore processing, sale of iron concentrates and titanium concentrates, trading of coals and steels, and management of strategic investments. As previously stated in the Company's 2015 Annual Report, given the market uncertainty and commodity prices volatility in the Group's industry, the Group has been proactively looking for ways to improve production efficiency and assets utilisation, to reduce costs and, potentially, to expand its revenue stream.

In August 2016, the Company invited the technical team of MHPL to visit its underground magnetite (Fe₃O₄) mine in relation to quotations for consultancy contracts (the "MHPL Site Visit"). MHPL has since recommended various incremental changes to the existing mining methods and processing operations of the Group, for, among other things: (i) higher recovery of magnetite, (ii) improvement in productivity, (iii) reduction in technical risk (relating to the proposed long hole stopping mining method) and (iv) evaluation of a mechanized mining approach. The MHPL Site Visit subsequently led to specific discussions in relation to the Company's proposed investment in MHPL.

The Transaction reflects:

- an opportunity for the Group to gain access to the technical expertise, experience and knowledge in internationally recognised standards of efficiency, safety and environmental management as well as training methods in mining operations; and
- the Group's business diversification development plan into a new but related business outside China, whereby the Group and the Target Group can jointly explore opportunities for strategic collaborations, joint mines development and increasing the use of innovative mining methods.

The Directors believe that the Group's strategies as aforesaid fall in line with recent efforts of the Chinese government in promoting "sustainable development" and "efficient transformation" of traditional industries.

Taking into consideration of the above, the Directors are of the view that the Transaction is conducted on normal commercial terms and in the ordinary and usual course of the Company's business, is fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceed 5% but below 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Transaction contemplated under the Sale and Purchase Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

| | |
|----------------------|--|
| "A\$" | Australian dollar(s), the lawful currency of Australia |
| "Board" | the board of Directors |
| "Business Day" | a day (other than Saturday, Sunday or public holidays in Singapore and in Hong Kong) on which commercial banks are generally open for ordinary banking business in Singapore and Hong Kong |
| "Cash Consideration" | cash consideration for acquiring the Sale Shares in the amount of HK\$3,200,000 |
| "Company" | China Vanadium Titano-Magnetite Mining Company Limited, a company incorporated as an exempted company with limited liability in the Cayman Islands, the shares of which are listed on the Stock Exchange |
| "Completion" | completion of the Transaction |

| | |
|--------------------------|---|
| “Completion Date” | the date on which Completion shall take place, being a Business Day falling within five Business Days from the date on which all the Conditions Precedent have been satisfied or waived, or such other date that the Parties may agree in writing |
| “Conditions Precedent” | the conditions precedent set out in the section headed “Conditions Precedent” in this announcement |
| “Consideration” | the total consideration of HK\$38,200,000 to be paid by the Company to the Vendor for the Sale Shares pursuant to the Sale and Purchase Agreement |
| “Consideration Share(s)” | the aggregate of 95,890,410 new Shares to be allotted and issued by the Company to the Vendor to satisfy part of the Consideration pursuant to the Sale and Purchase Agreement |
| “Director(s)” | the director(s) of the Company |
| “EBITDA” | earnings before interest, tax, depreciation and amortisation |
| “General Mandate” | the general mandate granted to the Directors to allot, issue and deal with additional Shares at the annual general meeting of the Company held on 25 May 2016 |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Issue Price” | HK\$0.365 per Consideration Share |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Long Stop Date” | the date falling two months from the date of the Sale and Purchase Agreement or such other date as the Parties may agree in writing |
| “MAL” | Mancala Asia Ltd, a company incorporated under the laws of Hong Kong with limited liability |

| | |
|-------------------------------|--|
| “MCL” | MCL Vietnam Industries Company Limited, a company incorporated under the laws of Vietnam |
| “MHPL” | Mancala Holdings Pty Ltd, a company incorporated under the laws of Australia |
| “MHPL Group” | MHPL and its subsidiaries |
| “MMP” | Mancala Mining Pty Ltd, a company incorporated under the laws of Australia |
| “MMS” | Mancala Mine Services Pty Ltd, a company incorporated under the laws of Australia |
| “MPL” | Mancala Pty Ltd, a company incorporated under the laws of Australia |
| “Parties” | the Company, the Vendor and the Target (each of them, a “Party”) |
| “Refundable Deposit” | the deposit paid by the Company to the Vendor for the Transaction prior to Completion taking place, which is refundable to the Company in full if any Conditions Precedent is not fulfilled (or waived) by the Long Stop Date or if the Company elects to terminate the Sale and Purchase Agreement on the ground of a breach by another Party of its obligation on Completion |
| “Restructuring Exercise” | an internal restructuring to be undertaken by the Vendor, the Target and MHPL pursuant to which, among other things, the Target will be the legal and beneficial owner of the entire share capital of MHPL |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 30 December 2016 entered into among the Vendor, the Company and the Target in relation to the Transaction |
| “Sale Shares” | 2,940,000 shares representing 49% of the total number of ordinary share capital of the Target after the Restructuring Exercise |
| “SGX-ST” | means the Singapore Exchange Securities Trading Limited |
| “Share(s)” | the ordinary share(s) of HK\$0.10 each in the capital of the Company |

| | |
|------------------------|---|
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Singapore” | the Republic of Singapore |
| “Spectrum Resources” | Spectrum Resources Australia Pty Ltd, a company incorporated under the laws of Australia |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target” | Mancala Holdings Limited, a company incorporated in the Cayman Islands |
| “Target Group” | the Target and its subsidiaries and include the MHPL Group |
| “Target Group Company” | any member of the Target Group |
| “Transaction” | the acquisition of the Sale Shares by the Company from the Vendor and the transactions contemplated pursuant to and under the Sale and Purchase Agreement |
| “Vendor” | Sapphire Corporation Limited, a company incorporated in Singapore |
| “%” | per cent. |

By order of the Board of
China Vanadium Titano-Magnetite Mining Company Limited
Jiang Zhong Ping
Chairman and Acting Chief Executive Officer

Hong Kong, 30 December 2016

As at the date of this announcement, the Board comprises Mr. Jiang Zhong Ping (Chairman and Acting Chief Executive Officer) and Mr. Zheng Zhiquan as executive Directors; and Mr. Yu Haizong, Mr. Liu Yi and Mr. Wu Wen as independent non-executive Directors.

Website: www.chinavtmmining.com