

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鐵磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00893)

POSITIVE PROFIT ALERT

This announcement is made by China Vanadium Titano-Magnetite Mining Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 9 March 2020 in relation to the disruption of mine operations in Wenchuan County, Aba Prefecture, Sichuan Province due to outbreak of novel coronavirus (COVID-19) epidemic and the business update of the Group.

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (“**FY2019**”), it is expected that the Group will record a profit attributable to the owners of the Company of not more than RMB75.0 million, as compared to the loss attributable to owners of the Company of approximately RMB444.0 million for the year ended 31 December 2018 (“**FY2018**”).

The expected improvement in the financial performance of the Group was mainly attributable to:

- recognition of the net gain on disposal of 100% equity interest in Huili County Caitong Iron and Titanium Co., Ltd.* (會理縣財通鐵鈦有限責任公司) and its subsidiaries (the “**Disposal Group**”) which remained in a loss-making status prior to disposal. Upon completion of the disposal of the Disposal Group on 30 July 2019 (the “**Completion**”), the loss-making Disposal Group ceased to be subsidiaries of the Company; and
- profits derived from its mining operations of high-grade iron concentrates and trading business.

The above profits were however offset by:

- operating loss for the Disposal Group before the Completion as a result of (i) higher average unit cost of production, including compliance cost; and (ii) the impairment losses as a result of the continued loss-making status for the operations of low-grade iron concentrates; and
- assets impairment for its mining services business on the ground that the Company has deferred its major capital expenditure decisions and postponed evaluation of certain major mining services jobs under the existing circumstances. These decisions have led to lower estimate for value-in-use and fair values of the related operating assets in accounting terms. It should be noted this accounting impairment as assessed under the current events would not affect the operating cash flows of the Group.

The information contained in this announcement is only based on the preliminary assessment by the Company's management with reference to the unaudited consolidated management accounts of the Group for FY2019 which have not been reviewed or audited by the audit committee and the auditors of the Company. Shareholders and potential investors of the Company are advised to read the details of the annual results announcement of the Group for FY2019, which is expected to be published by end of March 2020.

Given the above and despite this positive profit alert announcement, Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

* *for identification purpose only*

By order of the Board
China Vanadium Titano-Magnetite Mining Company Limited
Teh Wing Kwan
Chairman

Hong Kong, 16 March 2020

As at the date of this announcement, the Board comprises Mr. Teh Wing Kwan (Chairman) as non-executive Director; Mr. Jiang Zhong Ping (Chief Executive Officer), Mr. Hao Xiemin (Financial Controller) and Mr. Wang Hu as executive Directors; Mr. Yu Haizong, Mr. Wu Wen and Mr. Liu Yi as independent non-executive Directors.

Website: www.chinavtmmining.com