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**China Vanadium Titano-Magnetite Mining Company Limited**

**中國鈮鈦磁鐵礦業有限公司**

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

(Stock Code: 00893)

**POSITIVE PROFIT ALERT  
AND  
GENERAL BUSINESS UPDATE**

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).

**POSITIVE PROFIT ALERT**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 (“**FY2021**”), it is expected that the Group will record a profit attributable to the owners of the Company of not more than RMB9.0 million, as compared to the loss attributable to the owners of the Company of approximately RMB17.1 million for the year ended 31 December 2020 (“**FY2020**”).

The expected improvement in the Group’s results for FY2021 was mainly attributed to the following:

- operating profit before income tax, net of corporate expenses, for the High-Fe Mining Operations and trading businesses due mainly to (i) higher trading activities and (ii) higher average selling price of high-grade iron concentrates as a result of pent-up demand particularly during the first three quarters of 2021;

- recognition of the net gain on disposal of the loss-making Mancala Australia Group (which comprises Mancala Holdings Limited and its subsidiaries), offset by its net operating losses for the seven months ended 31 July 2021 (being the completion date of the said disposal).

The Group's overall profitability in FY2021 was however affected by:

- the clampdown against commodity speculators and market volatility across the industry, which had caused selling price for iron ore to fall as the Chinese government took steps to cool off rising commodity prices;
- the disruption of the Maoling Mine operations as a result of (i) a landslide which resulted in the temporary suspension of its production facilities and (ii) the temporary traffic control arrangements in Aba Prefecture which affected the delivery logistics and the related supply chain (as previously updated by the Company in the announcements dated 21 June 2021 and 2 July 2021, respectively); and
- higher tax expenses for the High-Fe Mining Operations and trading businesses.

The above information is only based on the preliminary assessment by the Company's management with reference to the unaudited consolidated management accounts of the Group for FY2021 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 FY2021, which is expected to be published by the end of March 2022.

## **GENERAL BUSINESS UPDATE**

The Company had previously updated that:

- in view of China's anti-pollution measures and the rising demand for sustainable use of resources, the Group has progressively adjusted its operational strategy to increase the output of the less-polluting and higher-margin iron concentrates with at least 70% TFe (compared to the existing range of 62% TFe to 65% TFe). In this aspect, the Group intends to ramp up the production capability of iron concentrates of 70% TFe and expand the existing mining area of the Maoling Mine. It is expected that such initiative will involve some form of capital investments in licensing process, mines exploration, additional environmental compliance, modification and upgrading of existing production facilities and infrastructure (including necessary mining engineering works such as tunnelling and underground construction); and
- the Group, as part of its internal reorganisation, would segregate the mining facilities management activities from its upstream mining operations in order to sharpen its focus towards developing environmentally responsible practices and to align its operational standards with the recommended industry practices while the Chinese government continues to uphold efforts for sustainable mining development under the related compliance guidelines. Further, such internal reorganisation could also potentially allow the Group to diversify its expertise in mining facilities management beyond the mining industry for additional revenue streams should opportunities arise as facilities management continues to hold an increasingly important and integral role in other industries and sectors.

The Group also notes that with the rigorous implementation of various policies and control measures to curb the viral spread of COVID-19 in China, the infection rates in China were relatively low in 2021. Whilst the Company has progressively implemented the above operational strategies, the strict COVID-19 related restrictions may continue to disrupt supply chain and cause uneven business recovery, which may further delay our expansion plans and execution of our growth strategies. We expect a progressive recovery upon re-opening of the local economy at a larger scale and we will continue to closely monitor the existing situation and risks of COVID-19 resurgence.

**In view of the above, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 14 March 2022

*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, and Mr. Yu Haizong, Mr. Liu Yi and Mr. Wu Wen as independent non-executive Directors.*

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