China Vanadium Titano-Magnetite Mining Company Limited
中國釩鈦磁鐵礦業有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00893)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

For the Reporting Period, the continuing operations recorded a profit for the year of approximately RMB1.0 million (FY2021: RMB1.0 million) due mainly to (i) higher sales volume of high-grade iron concentrates; (ii) maiden revenue contribution from the facility management services; and (iii) guarantee fees income, but the effects of which were negated by (i) lower average unit selling price for both iron ore and steel products given weak market sentiment; (ii) additional logistic costs for new storage facilities; and (iii) higher professional fees incurred for several corporate transactions initiated during the year.

Given the above, and in the absence of a non-recurring net gain on disposal of RMB6.6 million which was recognised in FY2021, the Group reported a Net Profit of approximately RMB1.3 million for FY2022 (FY2021: RMB8.3 million).

The basic and diluted profit per Share attributable to ordinary equity holders of the Company was approximately RMB0.06 cents for FY2022 (FY2021: RMB0.40 cents).

The Board does not recommend payment of final dividend for FY2022 (FY2021: Nil).

The Board hereby announces the audited consolidated results of the Group for FY2022 together with the comparative figures for FY2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
CONTINUING OPERATIONS			
REVENUE	3, 4	**725,869**	714,760
Cost of sales		**(700,591)**	(690,098)
Gross profit		**25,278**	24,662
Other income and gain	4	**8,371**	3,888
Selling and distribution expenses		**(904)**	(373)
Administrative expenses		**(21,592)**	(19,003)
Other expenses		**(4,198)**	(2,288)
Reversal of impairment losses on trade receivables	6	**4,530**	4,130
Impairment losses on other receivables	6	**(2)**	–
Finance costs	5	**(5,965)**	(5,393)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	**5,518**	5,623
Income tax expenses	7	**(4,480)**	(4,641)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**1,038**	982
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	8	**–**	6,616
PROFIT FOR THE YEAR		**1,038**	7,598

	2022	2021
	RMB'000	*RMB'000*
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**31**	840
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,069**	8,438
Profit/(loss) attributable to:		
Owners of the Company	**1,304**	8,311
Non-controlling interests	**(266)**	(713)
	1,038	7,598
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**1,335**	8,989
Non-controlling interests	**(266)**	(551)
	1,069	8,438
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:		
Basic and diluted		
– For profit for the year *(cents)*	**RMB0.06**	RMB0.40

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**194,168**	166,289
Right-of-use assets	11	**23,095**	1,032
Intangible assets	10	**734,401**	735,021
Prepayments, other receivables and other assets	12	**436**	886
Deferred tax assets	13	**9,350**	12,208
Total non-current assets		**961,450**	915,436
CURRENT ASSETS			
Inventories	14	**13,626**	11,900
Trade and bills receivables	15	**207,275**	203,655
Prepayments, other receivables and other assets	12	**5,786**	4,433
Due from related parties		**1,070**	9,728
Pledged deposits	16	**26**	10,026
Cash and cash equivalents	16	**9,357**	6,436
Total current assets		**237,140**	246,178
CURRENT LIABILITIES			
Trade payables	17	**35,057**	33,077
Contract liabilities	18	**8,216**	6,166
Other payables and accruals	19	**77,637**	59,993
Interest-bearing bank and other borrowings	20	**91,108**	17,580
Due to related parties		**5,905**	5,389
Lease liabilities	11	**4,645**	2,305
Tax payable		**9,363**	9,052
Total current liabilities		**231,931**	133,562
NET CURRENT ASSETS		**5,209**	112,616
TOTAL ASSETS LESS CURRENT LIABILITIES		**966,659**	1,028,052

	Notes	**2022** *RMB'000*	2021 *RMB'000*
NON-CURRENT LIABILITIES			
Due to related parties		**–**	7,680
Lease liabilities	*11*	**20,093**	400
Interest-bearing bank and other borrowings	*20*	**–**	74,612
Provision for rehabilitation	*21*	**14,660**	14,523
Other payables	*19*	**700**	700
Total non-current liabilities		**35,453**	97,915
Net assets		**931,206**	930,137
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*22*	**197,889**	197,889
Reserves		**438,686**	437,351
		636,575	635,240
Non-controlling interests		**294,631**	294,897
Total equity		**931,206**	930,137

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. CORPORATE AND GROUP INFORMATION

China Vanadium Titano-Magnetite Mining Company Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 28 April 2008 under the Companies Act. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at 31/F, Tower Two Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

During the year ended 31 December 2022, the Company and its subsidiaries (together, the "Group") were principally engaged in the following principal activities:

- sale of self-produced products
- trading of steels
- facility management

In the opinion of the directors of the Company (the "Directors"), Trisonic International Limited ("Trisonic International"), a company incorporated in Hong Kong, is the parent and the ultimate holding company of the Company.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2022. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interests and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investments retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRSs 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and the impact of the revised IFRSs that are applicable to the Group described below:

(a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to IFRSs 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 *Financial Instruments:* clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[2]
IFRS 17	*Insurance Contracts*[1]
Amendments to IFRS 17	*Insurance Contracts*[1, 5]
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*[6]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")* [2, 4]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")* [2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

[1] Effective for annual periods beginning on or after 1 January 2023
[2] Effective for annual periods beginning on or after 1 January 2024
[3] No mandatory effective date yet determined but available for adoption
[4] As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024.
[5] As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023
[6] An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of IFRS 17

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. An entity that applies the 2020 Amendments is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently revisiting the accounting policy disclosures to ensure consistency with the amendments.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 12 narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has four (2021: three) reportable operating segments as follows:

(a) the high-Fe mining operation segment comprises the operation of sale of self-produced high-grade iron concentrates within the range of 65% TFe to 72% TFe;

(b) the trading segment comprises the operation of sale of traded products;

(c) the facility management segment comprises the provision of facilities management services for mining related industry; and

(d) the corporate and others segment comprises the non-operating activities that support the Group, including central functions such as the functional costs that have not been allocated to the other segments.

The Directors monitor the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that other income and gain, other expenses, non-lease-related finance costs and fair value losses on financial assets at fair value through profit or loss are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings and tax payable as these liabilities are managed on a group basis.

Year ended 31 December 2022

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to external customers	**73,494**	**644,326**	**8,049**	**–**	**725,869**
Intersegment sales	**–**	**–**	**740**	**–**	**740**
	73,494	**644,326**	**8,789**	**–**	**726,609**
Reconciliation:					
Elimination of intersegment sales					**(740)**
Revenue from continuing operations					**725,869**
Segment results	**10,428**	**4,819**	**1,036**	**(10,545)**	**5,738**
Reconciliation:					
Other income and gain					**8,371**
Other expense					**(4,198)**
Finance costs (other than interest on lease liabilities and provision for rehabilitation)					**(4,393)**
Profit before tax from continuing operations					**5,518**
Segment assets	**412,087**	**205,663**	**3,097**	**747,104**	**1,367,951**
Reconciliation:					
Elimination of intersegment receivables					**(188,094)**
Deferred tax assets					**9,350**
Cash and cash equivalents					**9,357**
Pledged deposits					**26**
Total assets					**1,198,590**
Segment liabilities	**115,889**	**167,873**	**1,048**	**70,197**	**355,007**
Elimination of intersegment payables					**(188,094)**
Interest-bearing bank and other borrowings					**91,108**
Tax payable					**9,363**
Total liabilities					**267,384**
Other segment information					
Reversal of impairment losses on trade receivables *(note 6)*	**(4,530)**	**–**	**–**	**–**	**(4,530)**
Impairment losses on other receivables *(note 6)*	**2**	**–**	**–**	**–**	**2**
Depreciation and amortisation *(note 6)*	**10,266**	**–**	**–**	**293**	**10,559**
Capital expenditure* *(note 9 and note 10)*	**35,047**	**–**	**3**	**192**	**35,242**

* Capital expenditure consists of additions to property, plant and equipment (excluding the additions to mining infrastructure which was the addition of rehabilitation assets) and intangible assets.

Year ended 31 December 2021

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	56,776	657,984	–	714,760
Intersegment sales	–	–	512	512
	56,776	657,984	512	715,272
Reconciliation:				
Elimination of intersegment sales				(512)
Revenue from continuing operations				714,760
Segment results	6,584	11,376	(8,742)	9,218
Reconciliation:				
Other income and gain				3,888
Other expense				(2,288)
Finance costs (other than interest on lease liabilities)				(5,195)
Profit before tax from continuing operations				5,623
Segment assets	369,412	204,263	735,289	1,308,964
Reconciliation:				
Elimination of intersegment receivables				(176,020)
Deferred tax assets				12,208
Cash and cash equivalents				6,436
Pledged deposits				10,026
Total assets				1,161,614
Segment liabilities	67,713	170,387	68,153	306,253
Elimination of intersegment payables				(176,020)
Interest-bearing bank and other borrowings				92,192
Tax payable				9,052
Total liabilities				231,477
Other segment information				
Reversal of impairment losses on trade receivables, net *(note 6)*	(327)	(3,803)	–	(4,130)
Depreciation and amortisation *(note 6)*	8,731	6	499	9,236
Capital expenditure* *(note 9)*	18,157	–	109	18,266

* Capital expenditure consists of additions to property, plant and equipment.

Entity-wide disclosures

Geographical information

(a) Revenue from external customers

The following table sets out information about the geographical locations of the Group's revenue from external customers during the year. The geographical locations of customers are determined based on the locations designated by the customers at which the goods were delivered or services were rendered.

	2022	2021
	RMB'000	*RMB'000*
Mainland China	**725,869**	714,760

(b) Non-current assets

	2022	2021
	RMB'000	*RMB'000*
Mainland China	**951,485**	901,979
Singapore	**179**	363
	951,664	902,342

The non-current asset information of continuing operations above is based on the locations of the assets and excludes prepayments, other receivables and other assets and deferred tax assets.

Information about major customers

Revenue from each of a major customer, which amounted to 10% or more of the total revenue, is set out below:

	2022	2021
	RMB'000	*RMB'000*
Customer A	**644,326**	657,984

4. REVENUE, OTHER INCOME AND GAIN

An analysis of revenue is as follows:

	2022		2021	
	RMB'000	**%**	*RMB'000*	*%*
Revenue from contracts with customers				
Sale of industrial products:				
High-grade iron concentrates	**73,494**	**10.1**	56,776	7.9
Steels	**644,326**	**88.8**	657,984	92.1
Rendering of facility management services	**8,049**	**1.1**	–	–
	725,869	**100.0**	714,760	100.0

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2022

Segments	**High-Fe mining operation** *RMB'000*	**Trading** *RMB'000*	**Facility management** *RMB'000*	**Corporate and others** *RMB'000*	**Total** *RMB'000*
Types of goods or services					
High-grade iron concentrates	**73,494**	**–**	**–**	**–**	**73,494**
Trading of steels	**–**	**644,326**	**–**	**–**	**644,326**
Facility management services	**–**	**–**	**8,049**	**–**	**8,049**
	73,494	**644,326**	**8,049**	**–**	**725,869**
Geographical market					
Mainland China	**73,494**	**644,326**	**8,049**	**–**	**725,869**
Timing of revenue recognition					
Goods transferred at a point in time	**73,494**	**644,326**	**–**	**–**	**717,820**
Services transferred over time	**–**	**–**	**8,049**	**–**	**8,049**
	73,494	**644,326**	**8,049**	**–**	**725,869**

For the year ended 31 December 2021

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Types of goods or services				
High-grade iron concentrates	56,776	–	–	56,776
Trading of steels	–	657,984	–	657,984
	56,776	657,984	–	714,760
Geographical market				
Mainland China	56,776	657,984	–	714,760
Timing of revenue recognition				
Goods transferred at a point in time	56,776	657,984	–	714,760

For the year ended 31 December 2022

Segments	**High-Fe mining operation** ***RMB'000***	**Trading** ***RMB'000***	**Facility management** ***RMB'000***	**Corporate and others** ***RMB'000***	**Total** ***RMB'000***
Revenue from contracts with customers					
External customers	**73,494**	**644,326**	**8,049**	**–**	**725,869**
Intersegment sales	**–**	**–**	**740**	**–**	**740**
	73,494	**644,326**	**8,789**	**–**	**726,609**
Intersegment adjustments and eliminations	**–**	**–**	**(740)**	**–**	**(740)**
Total revenue from contracts with external customers	**73,494**	**644,326**	**8,049**	**–**	**725,869**

For the year ended 31 December 2021

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Revenue from contracts with customers				
External customers	56,776	657,984	–	714,760
Intersegment sales	–	–	512	512
	56,776	657,984	512	715,272
Intersegment adjustments and eliminations	–	–	(512)	(512)
Total revenue from contracts with external customers	56,776	657,984	–	714,760

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 120 days from delivery. There were no remaining performance obligations unsatisfied or partially satisfied as at 31 December 2021 and 31 December 2022.

Facility management services

The performance obligation is satisfied over time as services are rendered. Consultancy and management service contracts are for periods of one year or more, and are billed based on the time incurred. There were no remaining performance obligations unsatisfied or partially satisfied as at 31 December 2022.

An analysis of other income and gain is as follows:

	Note	**2022** ***RMB'000***	2021 *RMB'000*
Other income			
Bank interest income		**11**	16
Government grants	*(a)*	**445**	173
Sale of raw materials		**2,881**	2,505
Guarantee fee *(note 7)*		**4,453**	–
Miscellaneous		**479**	1,177
		8,269	3,871
Gain			
Gain on disposal of items of property, plant and equipment		**102**	17
Total other income and gain		**8,371**	3,888

Note:

(a) There were no unfulfilled conditions or contingencies relating to these government grants.

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2022 ***RMB'000***	2021 *RMB'000*
Interest on bank and other borrowings	**4,393**	4,326
Interest on lease liabilities *(note 11(c))*	**662**	198
Unwinding of discount on provision *(note 21)*	**910**	869
	5,965	5,393

6. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The Group's profit before tax from continuing operations was arrived at after charging/(crediting):

	Notes	**2022** **RMB'000**	2021 RMB'000
Cost of inventories sold		**694,355**	690,098
Cost of services provided		**6,236**	–
Cost of sales		**700,591**	690,098
Employee benefit expenses (including Directors' and chief executive's remuneration)			
Wages and salaries		**17,041**	11,830
Welfare and other benefits		**1,623**	1,122
Pension scheme contributions			
– Defined contribution fund		**2,877**	1,177
Housing fund			
– Defined contribution fund		**420**	286
Total employee benefit expenses		**21,961**	14,415
Depreciation of property, plant and equipment	*9*	**8,335**	7,151
Depreciation of right-of-use assets	*11(a)*	**1,367**	1,503
Amortisation of intangible assets	*10*	**857**	582
Depreciation and amortisation expenses		**10,559**	9,236
Reversal of impairment losses on trade receivables	*15*	**(4,530)**	(4,130)
Impairment losses on other receivables	*12(a)*	**2**	–
Lease payments not included in the measurement of lease liabilities	*11(c)*	**263**	99
Auditor's remuneration		**2,380**	2,130

7. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group was not subject to any income tax in the Cayman Islands and the BVI during the two years ended 31 December 2022 and 2021.

Pursuant to the PRC Corporate Income Tax Law, the payers shall pay a 10% withholding tax levied on the income derived from Mainland China on behalf of non-resident enterprises. Therefore, the Company was subject to withholding tax rate of 10% over the guarantee fee of RMB4,453,000 (2021: Nil) during the year ended 31 December 2022 *(note 4)*.

The provision for the PRC Corporate Income Tax ("CIT") is based on the respective PRC CIT rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of Mainland China for the year.

All subsidiaries domiciled in the PRC (the "PRC subsidiaries") were subject to the PRC CIT rate of 25% during the year ended 31 December 2022, except for a certain subsidiary in the PRC which is qualified as Small Low-profit Enterprise and thus entitled to a preferential income tax rate of 20%.

Pursuant to the income tax rules and regulations in Singapore, the Group's subsidiary located in Singapore is liable to Singapore corporate income tax at a rate of 17% on the assessable profits generated for the year.

The major components of income tax charge are as follows:

	2022	2021
	RMB'000	*RMB'000*
Current – Singapore		
Charge for the year	**6**	5
Current – Mainland China		
Charge for the year	**1,616**	2,020
Deferred *(note 13)*	**2,858**	2,616
Total tax charge for the year	**4,480**	4,641

A reconciliation of the tax charge applicable to profit before tax at the applicable tax rate for the companies within the Group to the tax charge at the effective tax rate is as follows:

	Note	**2022** **RMB'000**	2021 RMB'000
Profit before tax from continuing operations		**5,518**	5,623
Profit before tax from discontinued operations		**–**	6,616
		5,518	12,239
Tax at the respective statutory tax rates:			
– Mainland China subsidiaries, at 25%		**2,078**	2,699
– Australia subsidiaries, at 30%		**–**	(1,232)
– the Company and its Hong Kong subsidiaries, at 16.5%		**(476)**	924
– Singapore subsidiary, at 17%		**15**	(8)
Lower tax rates enacted by local authorities		**(337)**	–
Expenses not deductible for tax	*(a)*	**1,521**	3,619
Tax effect of tax losses not recognised		**389**	1,312
Reversal of deferred tax assets recognised in the prior years		**1,309**	2,051
Tax effect of deductible temporary differences not recognised		**–**	(951)
Income not subject to tax		**–**	(1,769)
Adjustments in respect of current tax of previous periods		**(19)**	–
Tax losses utilised from the prior year		**–**	(2,004)
Tax charge at the Group's effective tax rate		**4,480**	4,641
Tax charge from continuing operations at the effective tax rate		**4,480**	4,641

Note:

(a) Expenses not deductible for tax for the years ended 31 December 2022 and 2021 mainly consist of administrative expenses incurred by offshore companies. These expenses are not expected to be deductible for tax.

8. DISCONTINUED OPERATIONS

Mancala Holdings Limited and its subsidiaries (together as the "Disposal Group") were mainly engaged in specialised mining services in Australia which were disposed of on 31 July 2021 (the "Disposal"). With the completion of the Disposal, the gain on disposal of the discontinued operations and the related income tax are presented in the profit or loss from the discontinued operations.

As a result of loss of management control upon completion of the Disposal on 31 July 2021, the Group was unable to govern or exercise control over the Disposal Group's financial and operating policies. Accordingly, the unaudited management accounts of the Disposal Group for the period from 1 January 2021 to the date of the Disposal were used to prepare the consolidated financial statements of the Group.

The results of the discontinued operations for the period from 1 January 2021 to the date of the Disposal are presented below:

	Note	Period from 1 January 2021 to 31 July 2021 *RMB'000* (unaudited)
REVENUE		41,465
Cost of sales		(34,600)
Gross profit		6,865
Other income and gain		1,596
Administrative expenses		(12,693)
Other expenses		561
Finance costs		(436)
Loss before tax from the discontinued operations		(4,107)
Gain on disposal of the discontinued operations	*23*	10,723
PROFIT FOR THE PERIOD FROM THE DISCONTINUED OPERATIONS		6,616

The major classes of assets and liabilities of the Disposal Group as at 31 July 2021 are as follows:

	31 July 2021 *RMB'000* (unaudited)
ASSETS	
Property, plant and equipment	21,824
Right-of-use assets	1,078
Inventories	11,639
Trade receivables	5,113
Prepayments, other receivables and other assets	3,611
Contract assets	1,911
Cash and cash equivalents	3,598
Assets classified as held for sale	16,415
Assets of the Disposal Group classified as held for sale	65,189
LIABILITIES	
Trade payables	13,871
Other payables and accruals	36,067
Interest-bearing bank and other borrowings	15,663
Due to related parties	8,991
Lease liability	858
Liabilities directly associated with the assets classified as held for sale	75,450
Net liabilities directly associated with the Disposal Group	(10,261)

The net cash flows incurred by the Disposal Group for the period from 1 January 2021 to the date of the Disposal are as follows:

	Period from 1 January 2021 to 31 July 2021 *RMB'000* (unaudited)
Operating activities	(7,715)
Investing activities	(1,228)
Financing activities	(1,987)
Net cash outflow	(10,930)
Earnings per share:	
Basic and diluted, from the discontinued operations	RMB0.003

The calculations of basic and diluted earnings per share from the discontinued operations are based on:

	2021 (unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operations	RMB7,397,000
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation *(note 22)*	2,249,015,410

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	**Plant and machinery** *RMB'000*	**Office equipment** *RMB'000*	**Motor vehicles** *RMB'000*	**Mining infrastructure** *RMB'000*	**Construction in progress ("CIP")** *RMB'000*	**Total** *RMB'000*
31 December 2022							
Cost:							
At 1 January 2022	**41,412**	**33,103**	**634**	**1,546**	**139,886**	**56,177**	**272,758**
Additions *(note 3)*	**55**	**339**	**54**	**–**	**1,296**	**34,557**	**36,301**
Transferred from CIP	**2,767**	**2,741**	**–**	**–**	**1,150**	**(6,658)**	**–**
Disposals	**–**	**(732)**	**(12)**	**–**	**–**	**–**	**(744)**
At 31 December 2022	**44,234**	**35,451**	**676**	**1,546**	**142,332**	**84,076**	**308,315**
Accumulated depreciation and impairment:							
At 1 January 2022	**23,959**	**19,558**	**482**	**1,157**	**59,825**	**1,488**	**106,469**
Provided for the year *(note 6)*	**1,499**	**1,198**	**24**	**108**	**5,506**	**–**	**8,335**
Disposals	**–**	**(549)**	**(11)**	**(97)**	**–**	**–**	**(657)**
At 31 December 2022	**25,458**	**20,207**	**495**	**1,168**	**65,331**	**1,488**	**114,147**
Net carrying amount:							
At 1 January 2022	**17,453**	**13,545**	**152**	**389**	**80,061**	**54,689**	**166,289**
At 31 December 2022	**18,776**	**15,244**	**181**	**378**	**77,001**	**82,588**	**194,168**

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Mining infrastructure *RMB'000*	CIP *RMB'000*	Total *RMB'000*
31 December 2021							
Cost:							
At 1 January 2021	40,439	31,184	613	2,403	139,871	42,958	257,468
Additions from continuing operations *(note 3)*	339	581	21	345	15	16,965	18,266
Transferred from CIP	634	3,112	–	–	–	(3,746)	–
Disposals	–	(1,774)	–	(1,202)	–	–	(2,976)
At 31 December 2021	41,412	33,103	634	1,546	139,886	56,177	272,758
Accumulated depreciation and impairment:							
At 1 January 2021	22,376	19,728	427	2,196	55,822	1,488	102,037
Provided for the year from continuing operations *(note 6)*	1,583	1,413	55	97	4,003	–	7,151
Disposals	–	(1,583)	–	(1,136)	–	–	(2,719)
At 31 December 2021	23,959	19,558	482	1,157	59,825	1,488	106,469
Net carrying amount:							
At 1 January 2021	18,063	11,456	186	207	84,049	41,470	155,431
At 31 December 2021	17,453	13,545	152	389	80,061	54,689	166,289

The Group measured all non-financial assets (including the right-of-use assets) at the lower of its carrying amount and value-in-use ("VIU"). In accordance with the Group's accounting policies, each asset or CGU is evaluated annually at 31 December or biannually at 30 June to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is made.

In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and VIU. Management has performed impairment assessment on all of the carrying amounts of the Group's property, plant and equipment, intangible assets, right-of-use assets and prepaid road use payments. For the purpose of impairment assessment, the High-Fe Mining CGU (comprising the property, plant and equipment, the intangible assets, prepaid road use payments, and the right-of-use assets of Aba Mining) and the Shigou Gypsum Mine CGU (comprising the property, plant and equipment, and the intangible assets) are treated as separate CGU. The recoverable amount of High-Fe Mining CGU and Shigou Gypsum Mine CGU were estimated based on its VIU determined by discounting the future cash flows to be generated from the continuing use of these assets. The recoverable amounts are determined based on the calculation using cash flow projections according to financial budgets covering periods ranging from 1 to 3 years approved by management with pre-tax discount rates ranging between 13.26% and 13.75% (31 December 2021: 13.26% and 16.39%) depending on the nature of the CGU. The cash flows beyond the periods ranging from 1 to 3 years are extrapolated using a zero-growth rate until the end of the respective asset useful lives.

Other key assumptions used in the estimation of VIU are as follows:

Resources – These represent one of the key factors the management has considered during the impairment testing, which comprise resources (measured, indicated and inferred) estimated, on the basis of appropriate geological evidence and sampling, with reference to the resources statements prepared by appropriate competent persons.

Commodity prices – Forecast commodity prices are based on management's estimates and are derived from forward price curves and long-term views of domestic supply and demand, building on past experience of the industry and consistent with external sources. These prices were adjusted to arrive at appropriate consistent price assumptions for the different qualities and type of commodities, or, where appropriate, contracted prices were applied. These prices are reviewed at least annually.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the recent years for High-Fe Mining CGU and Shigou Gypsum Mine CGU, adjusted for management's expectations for possible changes in the production costs and estimated market prices.

Production volumes – Estimated production volumes are based on the detailed life of mine plans and take into account development plans of the mine agreed by management as part of the long-term planning process.

Discount rate – The discount rates used are pre-tax and reflect specific risks relating to the relevant units.

The values assigned to key assumptions are consistent with external information sources.

Based on the above-mentioned impairment assessment, the recoverable amounts are higher than the carrying amounts of the non-financial assets of High-Fe Mining CGU and Shigou Gypsum Mine CGU as at 31 December 2022, respectively, and no provision for impairment was provided during the year ended 31 December 2022 (2021: Nil).

10. INTANGIBLE ASSETS

	Mining rights *RMB'000*	Exploration rights and assets *RMB'000*	Software *RMB'000*	Total *RMB'000*
31 December 2022				
Cost:				
At 1 January 2022	**800,295**	**65,991**	**–**	**866,286**
Additions	**–**	**–**	**237**	**237**
At 31 December 2022	**800,295**	**65,991**	**237**	**866,523**
Accumulated amortisation and impairment:				
At 1 January 2022	**131,265**	**–**	**–**	**131,265**
Amortisation provided during the year *(note 6)*	**845**	**–**	**12**	**857**
At 31 December 2022	**132,110**	**–**	**12**	**132,122**
Net carrying amount:				
At 1 January 2022	**669,030**	**65,991**	**–**	**735,021**
At 31 December 2022	**668,185**	**65,991**	**225**	**734,401**

	Mining rights *RMB'000*	Exploration rights and assets *RMB'000*	Total *RMB'000*
31 December 2021			
Cost:			
At 1 January and 31 December 2021	800,295	65,991	866,286
Accumulated amortisation and impairment:			
At 1 January 2021	130,683	–	130,683
Amortisation provided during the year *(note 6)*	582	–	582
At 31 December 2021	131,265	–	131,265
Net carrying amount:			
At 1 January 2021	669,612	65,991	735,603
At 31 December 2021	669,030	65,991	735,021

As at 31 December 2022, the mining rights of Maoling Mine with a net carrying amount of RMB18,477,000 (31 December 2021: RMB19,321,000) were pledged to secure the Group's bank loans *(note 20(a))*.

11. LEASES

The Group as a lessee

The Group has lease contracts for office premises and various items of plant and machinery used in its operations. During the reporting period, the Group entered into certain long-term lease contracts for items of plant and machinery. Leases of office premises have lease term within 2 years. Leases of plant and machinery generally have lease term between 1 and 20 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office premises *RMB'000*	**Plant and machinery** *RMB'000*	**Total** *RMB'000*
As at 1 January 2022	**14**	**1,018**	**1,032**
Additions	**–**	**23,405**	**23,405**
Exchange realignment	**25**	**–**	**25**
Depreciation charge *(note 6)*	**(31)**	**(1,336)**	**(1,367)**
As at 31 December 2022	**8**	**23,087**	**23,095**

	Office premises *RMB'000*	Plant and machinery *RMB'000*	Total *RMB'000*
As at 1 January 2021	572	6,337	6,909
Lease modification	–	(4,196)	(4,196)
Lease termination	(153)	–	(153)
Exchange realignment	(25)	–	(25)
Depreciation charged in continuing operations *(note 6)*	(380)	(1,123)	(1,503)
As at 31 December 2021	14	1,018	1,032

(b) ***Lease liabilities***

The carrying amount of lease liabilities and the movements during the year are as follows:

	2022	2021
	RMB'000	*RMB'000*
Carrying amount at 1 January	**2,705**	7,263
New lease	**23,405**	–
Accretion of interest recognised during the year *(note 5)*	**662**	198
Lease modification	**–**	(4,196)
Lease termination	**–**	(137)
Payments	**(2,034)**	(423)
Carrying amount at 31 December	**24,738**	2,705
Analysed into:		
Current portion	**4,645**	2,305
Non-current portion	**20,093**	400

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2022	2021
	RMB'000	*RMB'000*
Interest on lease liabilities *(note 5)*	**662**	198
Depreciation charge of right-of-use assets	**1,367**	1,503
Losses relating to lease termination	**–**	16
Expense relating to short-term leases (included in administrative expenses) *(note 6)*	**263**	99
Total amount recognised in profit or loss	**2,292**	1,816

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Note	**2022** *RMB'000*	2021 *RMB'000*
Current portion:			
Prepayments consisting of:			
Purchase of raw materials		**237**	120
Utilities		**175**	191
Prepayment for the maintenance of a road		**47**	47
Other prepayments		**1,304**	1,254
Other receivables consisting of:			
Deductible value-added tax input		**1,117**	1,122
Other receivables		**3,512**	2,303
		6,392	5,037
Impairment allowance	*(a)*	**(606)**	(604)
		5,786	4,433
Non-current portion:			
Prepayment for the maintenance of a road		**434**	484
Long-term deposit		**2**	402
		436	886
		6,222	5,319

Note:

(a) The movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	2022 *RMB'000*	2021 *RMB'000*
At beginning of year	**604**	604
Impairment loss *(note 6)*	**2**	–
At end of year	**606**	604

Where applicable, impairment analysis is performed at each reporting date by considering expected credit losses, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2022 ranged from 0.0% to 100.0% (31 December 2021: 0.0% to 100.0%).

13. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

	Losses available for offsetting against taxable profits *RMB'000*	Excess tax depreciation over book value of fixed assets *RMB'000*	Provision for rehabilitation *RMB'000*	Provision for impairment *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2021	5,780	5,301	679	2,235	829	14,824
Deferred tax credited/ (charged) to profit or loss during the year *(note 7)*	(2,491)	(430)	352	(33)	(14)	(2,616)
Deferred tax assets at 31 December 2021	3,289	4,871	1,031	2,202	815	12,208
At 1 January 2022	**3,289**	**4,871**	**1,031**	**2,202**	**815**	**12,208**
Deferred tax credited/(charged) to profit or loss during the year *(note 7)*	**(1,180)**	**(456)**	**(146)**	**(1,163)**	**87**	**(2,858)**
Deferred tax assets at 31 December 2022	**2,109**	**4,415**	**885**	**1,039**	**902**	**9,350**

As at 31 December 2022, the Group has tax losses arising from Mainland China of RMB411,328,000 (31 December 2021: RMB421,520,000) that would expire in one to five years and other deductible temporary differences of RMB144,393,000 (31 December 2021: RMB151,105,000) that were available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which they can be utilised.

Deferred tax assets related to the PRC subsidiaries have been provided at the enacted corporate income tax rate of 25%.

Pursuant to the income tax rules and regulations of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement has been effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The withholding tax rate for the Group is 10%.

As at 31 December 2022, no deferred tax liability has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

14. INVENTORIES

	2022	2021
	RMB'000	*RMB'000*
Raw materials	**8,152**	5,569
Spare parts and consumables	**3,046**	2,447
Finished goods	**1,593**	3,911
Costs to fulfil contracts	**835**	–
	13,626	11,927
Provision for inventories	**–**	(27)
	13,626	11,900

15. TRADE AND BILLS RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Trade receivables	**207,253**	208,279
Impairment	**(2,674)**	(7,204)
Trade receivables, net of impairment	**204,579**	201,075
Bills receivable	**2,696**	2,580
	207,275	203,655

The Group's trading terms with its customers are mainly on credit. During the year, the Group granted credit terms ranging from one months to three months (2021: two months to six months) to its customers for the sale of self-produced products, a credit term of four months (2021: six months) to its trading customers and a credit term of one month to its facility management customers. Trade receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the date of revenue recognised and net of loss allowance, is as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**200,049**	137,059
3 to 6 months	**–**	64,016
Over 5 years	**4,530**	–
	204,579	201,075

The movements in the loss allowance for impairment of trade receivables are as follows:

	2022	2021
	RMB'000	*RMB'000*
At beginning of year	**7,204**	11,334
Reversal of impairment losses *(note 6)*	**(4,530)**	(4,130)
At end of year	**2,674**	7,204

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2022

	Current	**Past due**	**Total**
Expected credit loss rate	**–**	**37.1%**	**1.3%**
Gross carrying amount *(RMB'000)*	**200,049**	**7,204**	**207,253**
Expected credit losses *(RMB'000)*	**–**	**2,674**	**2,674**

As at 31 December 2021

	Current	Past due	Total
Expected credit loss rate	–	100%	3.5%
Gross carrying amount *(RMB'000)*	201,075	7,204	208,279
Expected credit losses *(RMB'000)*	–	7,204	7,204

Transferred financial assets that are derecognised in their entirety

As at 31 December 2022, the Group endorsed certain bills receivable accepted by banks in the PRC to certain of its suppliers in order to settle the trade payables to these suppliers with a carrying amount in aggregate of RMB5,326,000 (31 December 2021: RMB44,440,000) (referred to as the "Derecognised Bills"). The Derecognised Bills have a maturity term from one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated advances on discounting and trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their face amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

No gains or losses were recognised from the Continuing Involvement, both during the year and cumulatively. The endorsement of bills receivable has been made evenly throughout the year.

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Note	**2022** ***RMB'000***	2021 *RMB'000*
Cash and bank balances		**9,383**	16,462
Less: pledged time deposits for:			
Issue of bills payable		**26**	26
Bank loans	*(a)*	**–**	10,000
		26	10,026
Cash and cash equivalents		**9,357**	6,436

Note:

(a) As at 31 December 2021, deposits amounting to RMB10,000,000 were restricted to secure the Group's bank loan granted by Shanghai Pudong Development Bank *(note 20(a))*.

The Group's cash and bank balances are denominated in RMB at the end of each reporting period, except for the following:

	2022	2021
	RMB'000	*RMB'000*
Cash and bank balances denominated in:		
HKD	**84**	473
USD	**30**	31
SGD	**631**	590

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

17. TRADE PAYABLES

An ageing analysis of the trade payables of the Group as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 180 days	**31,302**	23,303
181 to 365 days	**1,046**	2,115
1 to 2 years	**962**	3,814
2 to 3 years	**670**	189
Over 3 years	**1,077**	3,656
	35,057	33,077

Trade payables of the Group are non-interest-bearing and are normally settled within 180 days.

18. CONTRACT LIABILITIES

	2022	2021
	RMB'000	*RMB'000*
Short-term advances received from customers		
Sale of self-produced high-grade iron concentrates	**8,216**	6,166

The movement of contract liabilities in continuing operations for the years ended 31 December 2022 and 2021 was mainly due to the increase in short-term advances received from customers in relation to the sale of self-produced high-grade iron concentrate at the end of the year.

Changes in contract liabilities during the reporting periods are as follows:

	2022	2021
	RMB'000	*RMB'000*
At 1 January	**6,166**	2,277
Revenue recognised that was included in the contract liabilities at the beginning of year	**(6,166)**	(2,277)
Increase due to cash received, excluding amounts recognised as revenue during the year	**8,216**	6,166
At 31 December	**8,216**	6,166

19. OTHER PAYABLES AND ACCRUALS

	2022	2021
	RMB'000	*RMB'000*
Current portion:		
Payables related to:		
Construction in progress	**32,692**	19,778
Taxes other than income tax	**6,241**	6,636
Exploration and evaluation assets	**6,732**	8,418
Payroll and welfare payable	**9,827**	7,868
Consultancy and professional services fees	**3,667**	2,358
Deposits received	**104**	4
Accrued government surcharges	**4,529**	4,529
Accrued interest expenses	**954**	534
Other payables	**12,891**	9,868
	77,637	59,993
Non-current portion:		
Other payables	**700**	700
	78,337	60,693

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2022 RMB'000	2021 RMB'000
Bank loans – Secured	(a)	**74,612**	79,612
Other borrowings – Unsecured	(b)	**16,496**	12,580
		91,108	92,192
Analysed into:			
Bank loans repayable:			
Within one year		**74,612**	5,000
In the second year		**–**	74,612
		74,612	79,612
Other borrowings repayable:			
Within one year		**16,496**	12,580
Total bank and other borrowings		**91,108**	92,192
Balances classified as current liabilities		**(91,108)**	(17,580)
Balances classified as non-current liabilities		**–**	74,612

	2022 (Effective interest rate)	2021
Bank loans	**4.35%**	4.35%
Other borrowings	**4.00%-8.00%**	6.50%-8.00%

Notes:

(a) As at 31 December 2022 the Group's bank loan of RMB74,612,000 (31 December 2021: RMB79,612,000) are secured by:

(i) Mining rights of Maoling Mine with a net carrying amount of RMB18,477,000 (31 December 2021: RMB19,321,000) *(note 10)*;

(ii) 100% equity of Aba Mining held by Sichuan Lingyu; and

(iii) Bank deposits of Nil (31 December 2021: RMB10,000,000) *(note 16)*.

(b) The balance as at 31 December 2022 mainly consists of short-term loans granted by a third party to Aba Mining at the annual interest rates ranging from 4.00% to 8.00% (31 December 2021: 6.50% to 8.00%). These loans were unsecured with repayment terms ranging from one month to eight months (31 December 2021: five months to twelve months).

21. PROVISION FOR REHABILITATION

	2022	2021
	RMB'000	*RMB'000*
At beginning of year	**14,523**	13,654
Additions	**1,296**	–
Unwinding of discount *(note 5)*	**910**	869
Utilisation during the year	**(2,069)**	–
At end of year	**14,660**	14,523

22. SHARE CAPITAL

	2022	2021
Number of ordinary shares		
Authorised ordinary shares of HKD0.1	**10,000,000,000**	10,000,000,000
Issued and fully paid ordinary shares of HKD0.1	**2,249,015,410**	2,249,015,410

	2022	2021
	RMB'000	*RMB'000*
Amounts		
Issued and fully paid ordinary shares of HKD0.1	**197,889**	197,889

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Issued capital**
		RMB'000
At 1 January 2022 and 31 December 2022	2,249,015,410	197,889

23. DISPOSAL OF SUBSIDIARIES

	31 July 2021 *RMB'000* (unaudited)
NET LIABILITIES DISPOSED OF:	
Property, plant and equipment	21,824
Right-of-use assets	1,078
Inventories	11,639
Trade and bills receivables	5,113
Contract assets	1,911
Prepayments, other receivables and other assets	3,611
Cash and cash equivalents	3,598
Assets classified as held for sale	16,415
Trade payables	(13,871)
Other payables and accruals	(36,067)
Interest-bearing bank and other borrowings	(15,663)
Due to related parties	(8,991)
Lease liabilities	(858)
	(10,261)
Add:	
Non-controlling interests derecognised on completion of the Disposal	6,247
Other costs attributable to the Disposal	591
Gain on disposal of subsidiaries *(note 8)*	10,723
	7,300
Satisfied by:	
Cash	7,300

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	RMB'000
Cash consideration	7,300
Cash and bank balances disposed of	(3,598)
Other costs attributable to the Disposal	(591)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	3,111

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of independent auditor's report issued by the Company's independent auditor:

"Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for qualified opinion

Prior year's audit scope limitation affecting comparative figures and related disclosures

As explained in our report dated 29 March 2022 on the Group's consolidated financial statements for the year ended 31 December 2021, the Group completed the disposal of its 81% equity interest in Mancala Holdings Limited and its subsidiaries (together as the "Disposal Group") on 31 July 2021, the date on which the Disposal Group ceased to be subsidiaries of the Group. The principal activities of the Disposal Group were mainly specialised mining services in Australia, which were presented as a discontinued operation. The cash used in operating activities, investing activities and financing activities of discontinued operations for the period from 1 January 2021 to the date of disposal of RMB7,715,000, RMB1,228,000, and RMB1,987,000, respectively, and the net inflow of cash in respect of the disposal of subsidiaries of RMB3,111,000 were disclosed in the consolidated statement of cash flows (the "Cash Flows from the discontinued operations"). The corresponding disclosures of the Disposal Group are set out in notes 10 and 31 to the consolidated financial statements for year ended 31 December 2021.

As a result of the disposal, we were not able to gain access to the accounting records of the Disposal Group. Accordingly, we were unable to perform audit procedures that we consider necessary to obtain sufficient and appropriate audit evidence to satisfy ourselves for the financial information of the Disposal Group for the period from 1 January 2021 to the date of disposal (the "Financial Information of the Disposal Group"). Consequently, we were unable to determine whether any adjustments might be necessary in respect of the Financial Information of the Disposal Group disclosed in the consolidated financial statements for the year ended 31 December 2021. Any adjustments found necessary may have a consequential effect on the Cash Flows from the discontinued operations disclosed in the consolidated statement of cash flows for the year ended 31 December 2021 and the figures and information disclosed in notes 10 and 31 to the consolidated financial statements for the year ended 31 December 2021.

The abovementioned comparative figures and related disclosures for the year ended 31 December 2021 shown in these consolidated financial statements may not be comparable with those for the current year."

SUPPLEMENTARY INFORMATION REGARDING THE QUALIFIED OPINION RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE MANCALA AUSTRALIA GROUP

Ernst & Young, the auditor of the Company (the "Auditor") has rendered a qualified opinion (the "Qualified Opinion") relating to the consolidated financial statements of the Mancala Australia Group, the disposal of which had been completed on 31 July 2021.

With reference to pages 29 to 34 of the annual report of the Company for FY2021, due to the administrative delay to the audit process since the loss of management control upon completion of the disposal of the Mancala Australia Group on 31 July 2021, as well as various control measures and travel restrictions triggered by the resurgence of COVID-19 infections in Australia, there were thus hurdles in getting unencumbered assistance from the management of the Mancala Australia Group for giving the Auditor access to all requisite accounting records and relevant supporting documents of the Mancala Australia Group for the period from 1 January 2021 to 31 July 2021 (the "Relevant Period"), the Auditor had issued qualified opinion relating to the consolidated financial statements of the Group for the year ended 31 December 2021.

Given that the consolidated financial statements and the relevant notes in relation to the Mancala Australia Group for the Relevant Period which were qualified in FY2021 are brought forward and presented as comparative figures and information in this announcement, consequently, a qualified opinion on the same subject matter has been rendered, which the Audit Committee accepts the Qualified Opinion issued in relation to the Mancala Australia Group for FY2022 on such basis.

Since the disposal of the Mancala Australia Group had been completed on 31 July 2021 and the relevant financial figures and information in relation to the Mancala Australia Group will no longer be included as comparative figures in the consolidated financial statements of the Company for the year ending 31 December 2023, the management and the Audit Committee are of the view that there will not be any such qualified opinion for the audited consolidated financial statements of the Company for the year ending 31 December 2023.

As reiterated, save for the audit qualification on the comparative figures and information in relation to the Mancala Australia Group, the financial statements of the Group presented herein remain a true and fair view, in all material aspects.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

MARKET REVIEW

During the Reporting Period, the Group observed the following industry developments and market statistics:

- In 2022, the global economic environment experienced immense challenges. The record-high inflation, worsening financial conditions, the surge in global energy prices, and continual disruptions caused by the Russo-Ukrainian War had all taken their toll on the world economy. Under such devastating conditions, global economic growth is expected to decelerate sharply to 1.7% in 2023, the third weakest growth in nearly three decades.

- In China, the economy in 2022 was restrained mainly by COVID-related restrictions, ongoing real estate sector stress, and extreme weather events. According to the National Bureau of Statistics of the PRC, China's Gross Domestic Product ("GDP") grew by 2.9% year-on-year in the fourth quarter of 2022, which was slower than the 3.9% growth in the third quarter but higher than the 0.4% growth in the second quarter. Whilst there could be a progressive recovery in China's economic activities after the lifting of anti-pandemic measures in December 2022, sluggish external demand, weak sentiment and persisting issues in the real estate sector may still pose challenges to the country's economic progress.

- Meanwhile, China's annual GDP displayed a modest year-on-year growth of 3%, falling short of the official target of 5.5% and marking the second slowest growth in decades. The sluggish growth was a result of various factors, including the challenging global economic environment, along with the triple pressure of demand contraction, supply disruptions, and declining economic expectations. In March 2023, China announced a lower-than-expected GDP growth target of about 5%, indicating "prudent monetary policies" ahead.

- Steel prices in 2022 faced different stages of fluctuations amid harsh domestic and global environments. Following the plunge observed in June 2022, steel prices bottomed out at RMB4,335 per tonne on 1 November 2022 and rebounded to RMB4,600 per tonne towards the end of 2022. The drop in steel prices in the second half was mainly attributed to the weak domestic demand and interest rate hikes putting pressure on commodities. Crude steel production in 2022 also saw a dip as well with output from January to December amounting to 1,013Mt, down by 2.1% year-on-year.

- The China Iron Ore Price Index (the "Index") compiled by the China Iron and Steel Association ("CISA") had shown a continuous slump in prices since the peak in March 2022. The Index plummeted from March to October 2022 and reached a new low at 314.23 by the end of October 2022 as a result of continued overall weak demand and interest rate hikes that lasted almost throughout the year while there seemed to be a gradual recovery in November 2022.

- In July 2022, the price for the 62% TFe iron ore in China fell substantially to RMB796.7 per tonne, compared to RMB1,334.4 per tonne in July 2021, and remained low throughout 2022, which lingered around the RMB800.0 per tonne mark in the second half of the year.

- The domestic output of crude iron ore in the second half of 2022 fell after recording a stable growth in the first half of 2022. A steep drop in output in July 2022 was observed, which was mainly attributed to efforts to cut crude steel production across the country, particularly reduction efforts in the major steel-producing provinces such as Hebei and Shandong were set out to cut down production in the second half of 2022, thereby resulting in the lower output for crude iron ore.

- The Chinese Purchasing Manager's Index ("PMI") in the second half of 2022 remained mostly under the threshold of 50.0, contributed by weak supply and demand, and disruptions caused by the pandemic. The Chinese PMI lingered between the threshold of around 49.0 to 50.0 between June to October 2022, but fell to the range of 47.0 to 48.0 during November 2022 to December 2022, surpassing the previous lowest point of 47.4 in April 2022.

- The Chinese PMI for the steel industry recovered to a relatively high point of 46.6 in September 2022 and remained above 40.0 until the year end, after hitting a bottom at 33.0 in July 2022.

- The CISA remains committed to low-carbon development. The CISA launched the "Three-year Action Plan for Energy Efficiency Benchmark of the Iron and Steel Industry" in December 2022, which was devised from the "Action Plan for Industrial Energy Efficiency Enhancement" jointly announced by six Chinese government ministries in mid-2022. The plan aims to provide checklists and policies, industry standards, and a data management system for the iron and steel industry over a period of three years. The CISA believes that the plan will guide the industry towards accelerated carbon reduction and green transformation to meet the government's carbon peaking and neutrality goals.

- The CISA also proposed the "Foundation Plan", aiming to reduce reliance on imported iron ores and restructure the iron and steel industry. As the world's largest steel-producing nation, China has been reliant on imported ores with around USD180 billion spent on imports in 2021 which was highly susceptible to unstable ore prices. The rigorously developed "Foundation Plan" aims to increase domestic iron ore production, source recycled steel scraps, and acquire overseas mines to counter fluctuating prices and achieve better profit margins. The plan has made initial progress in expanding domestic ore mines, with local governments speeding up approval processes and the National Development and Reform Commission of the PRC ("NDRC") discussing current mining conditions and challenges with CISA and relevant government bodies.

BUSINESS AND OPERATIONS REVIEW

Operation and Financial Overview

During the Reporting Period, the Group's revenue for FY2022 increased by 1.6% to approximately RMB725.9 million, as compared to approximately RMB714.8 million for FY2021, mainly due to higher sales volume of high-grade iron concentrates and the maiden revenue contribution from the facility management services. However, the effect of higher sales volume was offset by lower average unit selling price for both iron ore and steel products due to weak demand given the resurgence of COVID-19 and real estate sector crisis.

Specifically:

- the Group experienced a decline in the average unit selling price of its (i) high-grade iron concentrates by 17.6% and (ii) steels by 23.5%, despite an increase in sales volume for both products; and

- the Group recorded a maiden income of RMB8.0 million for the nine months ended 31 December 2022 from the facility management segment.

Overall, the Group's gross profit margin remained relatively consistent at 3.5%. However, administrative expenses rose slightly to RMB21.6 million for FY2022 from RMB19.0 million for FY2021, primarily due to higher professional fees incurred for several corporate transactions initiated during the Reporting Period.

Details of the financial performance of the Group are set out on pages 45 and 46 of this announcement.

Overview of Mines

Please refer to below tables for the status of the mine operations which are owned and operated by the Group.

Mines	Processing Plant	Status as at 31 December 2022
Maoling-Yanglongshan Mine	Maoling Processing Plant	Producing iron concentrates of high Fe contents *(within the range of 65% TFe to 72% TFe)*
Shigou Gypsum Mine	N/A	Optimising development and mining plans according to trial production results

The following table summarises the transacted volumes for (i) trading sales and (ii) sale of self-produced products of the Group:

		Purchase from independent third parties			Sale to an independent third party		
		FY2022	FY2021	Change	**FY2022**	FY2021	Change
		(Kt)	*(Kt)*	*%*	***(Kt)***	*(Kt)*	*%*
(i)	**Trading Sales**						
	Steels	**179.4**	140.2	28.0	**179.4**	140.2	28.0

		Production volume (Dry basis)			Sales volume (Dry basis)		
		FY2022	FY2021	Change	**FY2022**	FY2021	Change
		(Kt)	*(Kt)*	*%*	***(Kt)***	*(Kt)*	*%*
(ii)	**Sale of Self-produced Products**						
	High-grade iron concentrates	**73.3**	49.7	47.5	**73.7**	46.9	57.1

Business Risks and Uncertainties

The Group faces a number of principal risks and uncertainties that are of significance and may potentially have significant impacts on its businesses, financial conditions, and results of operations. However, the list is non-exhaustive as there may be other risks and uncertainties arising from changes in economic and other conditions over time. These principal risks and uncertainties include:

- the macro business environment in which the Group operates is highly dynamic that any adverse change in market conditions for sale of iron concentrates and trading of steel may materially affect the businesses of the Group;

- unfavourable price fluctuations of iron concentrates, lower-than-expected capacity utilisation rate, negative market sentiment as a result of geopolitical tensions, the COVID-19 pandemic and change in demand may result in re-assessment of intangible assets valuations (in relation to exploration and mining rights), which may have an adverse impact on the Group's financial results due to the resultant impairment losses arising from lower value-in-use and lower economic benefits as may be derived from the related cash-generating units;

- changes in government policies, laws and regulations in the PRC may affect the Group's operations and/or result in additional compliance costs;

- additional time and efforts may be required in negotiating with financial institutions for commercially acceptable terms if there is a significant change in credit risk policies; and

- delay in implementing growth and transformational strategies or deviation from original business and operational strategies, including resource reallocation plans, may affect the Group's operations and financial results.

FINANCIAL REVIEW

	FY2022 ***RMB'000***	FY2021 *RMB'000*	Variance *%*
REMAINING GROUP			
Revenue	**725,869**	714,760	1.6
Cost of sales	**(700,591)**	(690,098)	1.5
Gross profit	**25,278**	24,662	2.5
Other income and gain	**8,371**	3,888	115.3
Selling and distribution expenses	**(904)**	(373)	142.4
Administrative expenses	**(21,592)**	(19,003)	13.6
Other expenses	**(4,198)**	(2,288)	83.5
Reversal of impairment losses, net	**4,528**	4,130	9.6
Finance costs	**(5,965)**	(5,393)	10.6
Operating profit before tax from the Remaining Group	**5,518**	5,623	(1.9)
Income tax expenses	**(4,480)**	(4,641)	(3.5)
Operating profit after tax from the Remaining Group	**1,038**	982	5.7
DISPOSAL GROUP			
Loss for the period from the Disposal Group	**–**	(4,107)	(100.0)
Net gain on disposal	**–**	10,723	(100.0)
	–	6,616	(100.0)
Profit for the year	**1,038**	7,598	(86.3)
ATTRIBUTABLE TO:			
Owners of the Company	**1,304**	8,311	(84.3)
Non-controlling interests	**(266)**	(713)	(62.7)
	1,038	7,598	(86.3)

	FY2022 *RMB'000*	FY2021 *RMB'000*	Variance %
ATTRIBUTABLE TO:			
Owners of the Remaining Group	**1,304**	914	42.7
Non-controlling interests	**(266)**	68	(491.2)
	1,038	982	5.7
ATTRIBUTABLE TO:			
Owners of the Disposal Group	**–**	7,397	(100.0)
Non-controlling interests	**–**	(781)	(100.0)
	–	6,616	(100.0)

Revenue

Revenue increased to approximately RMB725.9 million for FY2022 (FY2021: RMB714.8 million) due mainly to (i) revenue generated from the facility management segment of around RMB8.0 million; and (ii) increased sales volume for high-grade iron concentrates and steel trading despite lower average unit selling price for both products.

Cost of Sales

Cost of sales primarily comprises environment compliance cost, contracting fees for mining and stripping as well as costs of materials, labour, power and other utilities, repair and maintenance, depreciation and amortisation, and trading purchase, which increased to approximately RMB700.6 million for FY2022 (FY2021: RMB690.1 million) on the back of higher revenues.

Gross Profit Margin

The gross profit and gross profit margin remained relatively consistent, standing at approximately RMB25.3 million and 3.5% (FY2021: RMB24.7 million and 3.5%), respectively for FY2022.

Other Income and Gain

Other income and gains increased to approximately RMB8.4 million for FY2022 from RMB3.9 million in FY2021 primarily due to (i) the proceeds from the sale of mine tailings of approximately RMB2.9 million (FY2021: RMB2.5 million); and (ii) guarantee income of approximately RMB4.5 million under the Master Guarantee Agreement which became effective on 29 June 2022.

Selling and Distribution Expenses

Selling and distribution expenses, which comprise mainly delivery, logistics, storage and warehousing costs, increased slightly to approximately RMB0.9 million for FY2022 (FY2021: RMB0.4 million) due primarily to higher storage and handling costs on the back of higher sales volume for high-grade iron concentrates.

Administrative Expenses

Administrative expenses, which comprise mainly staff related expenses, professional fees and other fixed operating overheads associated with production disruption and suspension, increased to approximately RMB21.6 million for FY2022 (FY2021: RMB19.0 million) mainly due to (i) higher professional fees incurred for several corporate transactions initiated during the Reporting Period; and (ii) fixed labour costs for the facility management segment, the operations of which have commenced since April 2022.

Other Expenses

Other expenses, which comprise mainly cost of processing mine tailings, increased to approximately RMB4.2 million for FY2022 (FY2021: RMB2.3 million) due mainly to higher transportation costs incurred from the use of new storage facilities for the mine tailings during the year.

Impairment Losses

Cash-generating Unit (“CGU”)

The management of the Group has updated the key assumptions of the business projection in respect of the CGU of the Group, which are highly dependent on the estimation of future commodity prices, mining plans, future capital expenditure plans, discount rates and market conditions. As at 31 December 2022, the management of the Group is of the opinion that there is no impairment of the Group's CGU, barring unforeseen circumstances. However, the management of the Group is mindful of the existing market conditions which appear to be highly volatile and unpredictable and will continue to assess the underlying assumptions applicable to its business projections (subject to regular reviews and revisions in relation to impairment tests) if there are factors indicating that the business conditions relating to the Group's CGU may deteriorate to a level which requires accounting impairment as a result of the market forces.

Receivables

There was a net reversal of impairment loss of approximately RMB4.5 million for FY2022 (FY2021: RMB4.1 million), the amount of which was previously impaired.

Finance Costs

Finance costs, which comprise mainly the cost of funds for working capital loans, interest on lease liabilities, and the accounting effects for unwinding discount of reclamation obligations, increased by 10.6% to approximately RMB6.0 million for FY2022 (FY2021: RMB5.4 million). The increase was primarily due to the entering into of operating lease for the new storage facility for mine tailings, which became effective from September 2022.

Income Tax Expenses

The Group recorded income tax expenses of approximately RMB4.5 million for FY2022 (FY2021: RMB4.6 million) due mainly to lower corporate tax expenses, which were offset by additional withholding tax expenses incurred on the guarantee income.

Net Profit

Given the above, the Group recorded a Net Profit of approximately RMB1.3 million for FY2022 (FY2021: RMB8.3 million).

Final Dividend

The Board does not recommend payment of final dividend for FY2022 (FY2021: Nil).

LIQUIDITY AND CAPITAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for FY2022 and FY2021:

	FY2022		FY2021	
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Cash and cash equivalents at beginning of the year		**6,436**		47,173
Net cash flows from/(used in) operating activities	**21,316**		(18,218)	
Net cash flows used in investing activities	**(23,766)**		(21,619)	
Net cash flows from/(used in) financing activities	**5,231**		(1,603)	
Net increase/(decrease) in cash and cash equivalents		**2,781**		(41,440)
Effect of foreign exchange rate changes, net		**140**		703
Cash and cash equivalents at end of the year		**9,357**		6,436

Net Cash Flows From/(Used In) Operating Activities

The Group's net cash flows from operating activities for FY2022 were approximately RMB21.3 million (FY2021: used in operating activities were RMB18.2 million) after accounting for (i) operating income before working capital changes of approximately RMB17.4 million (FY2021: RMB15.3 million); (ii) positive working capital changes of approximately RMB4.8 million (FY2021: negative working capital changes of RMB21.6 million); and (iii) income tax payment of RMB0.9 million (FY2021: RMB4.2 million).

Net Cash Flows Used In Investing Activities

The Group's net cash flows used in investing activities for FY2022 were approximately RMB23.8 million, which is a slight increase from the RMB21.6 million in FY2021. The increase was mainly due to (i) capital expenditures of approximately RMB22.1 million (FY2021: RMB22.7 million) for the preliminary engineering and preparatory works on site for expanding the Maoling Mine areas; and (ii) payment of rehabilitation cost of approximately RMB2.1 million (FY2021: Nil). There were no proceeds from disposal of subsidiary in FY2022 as compared to the net proceeds of RMB3.1 million which the Group received from the disposal of the Mancala Australia Group in FY2021.

Net Cash Flows From/(Used In) Financing Activities

The Group's net cash flows from financing activities for FY2022 were approximately RMB5.2 million (FY2021: used in financing activities were RMB1.6 million), mainly due to the release of the pledged time deposit of approximately RMB10.0 million (FY2021: increase in pledged time deposit of RMB9.7 million) which was offset by a net cash outflow of approximately RMB7.0 million for repayments of borrowings and lease liabilities (FY2021: cash inflow of RMB8.6 million).

FINANCIAL POSITION

Inventories

The Group's inventories, which comprise raw materials, stocks and consumables in relation to the High-Fe Mining Operations, were approximately RMB13.6 million as at 31 December 2022 (FY2021: RMB11.9 million). The increase was mainly due to (i) raw materials; and (ii) higher level of spare parts and components for production purposes.

Trade and Bills Receivables

The gross amount of trade and bills receivables were RMB209.9 million as at 31 December 2022 (FY2021: RMB210.9 million). In addition, there was a net reversal of impairment loss of about RMB4.5 million during FY2022. The net trade receivables have fully been collected by the Group after the Reporting Period.

Prepayments, Other Receivables and Other Assets

The Group's prepayments, other receivables and other assets, which comprise mainly proceeds from sale of the mine tailings and other prepayments to third-party suppliers increased to approximately RMB6.2 million as at 31 December 2022 (FY2021: RMB5.3 million).

Trade Payables

The Group's trade payables increased to approximately RMB35.1 million as at 31 December 2022 (FY2021: RMB33.1 million) mainly due to increased production volume for the High-Fe Mining Operations. The overall creditor turnover days remained the same at 17 days, as compared to 17 days in FY2021.

Borrowings

Total borrowings of the Group were approximately RMB91.1 million as at 31 December 2022 (FY2021: RMB92.2 million), which were net of repayments. As at 31 December 2022, all borrowings of the Group were denominated in RMB. Details of the borrowings of the Group are set out in note 20 to the financial statements of this announcement.

Lease Liabilities

The Group's total lease liabilities, which comprise payment obligations for right-of-use assets for office premises and new tailings management facilities, were approximately RMB24.7 million as of 31 December 2022 (FY2021: RMB2.7 million). The significant increase is mainly attributable to the entering into of operating lease arrangement for a new storage facility for mine tailings, which became effective from September 2022.

Contingent Liabilities and Financial Guarantees

The Company provides the CVT Guarantees in favour of the Financial Institutions guaranteeing the loan facilities of Huili Caitong and Xiushuihe Mining with a maximum aggregate guaranteed amount of RMB690.0 million as at 31 December 2022 (FY2021: RMB730.0 million). As at 31 December 2022, a principal amount of approximately RMB515.4 million (FY2021: RMB533.4 million) remained outstanding under such loan facilities. The CVT Guarantees were provided by the Company prior to the 2019 Disposal to guarantee the indebtedness of Huili Caitong and Xiushuihe Mining owing to the Financial Institutions. Those debts have not been fully repaid and the CVT Guarantees continued after the 2019 Completion. In connection with the CVT Guarantees, the Company and Chengyu Vanadium Titano (the parent company of both Huili Caitong and Xiushuihe Mining) entered into the 2019 Counter Indemnity for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees.

Given that the CVT Guarantees are continuing in nature and will only be released upon the full and final settlement is made and officially discharged by the respective Financial Institutions, on 16 May 2022, the Company entered into the Master Guarantee Agreement with Chengyu Vanadium Titano, Huili Caitong and Xiushuihe Mining to continue the provision of CVT Guarantees on such terms and conditions contained therein, including, among other things:

- the Company shall continue the provision of CVT Guarantees in favour of the Financial Institutions for a term commencing from 29 June 2022 to 31 December 2024, subject to a maximum aggregate guaranteed amount of RMB730.0 million. The CVT Guarantees shall cover the indebtedness owing by Huili Caitong and Xiushuihe Mining to the Financial Institutions under the CVT Guarantees and any related rolled-over loans approved by the Financial Institutions;

- Chengyu Vanadium Titano shall provide counter-indemnity in favour of the Company under the 2022 Counter Indemnity by (i) pledging its inventories as security, the market value of which shall not be less than 1.25 times of the maximum guaranteed amount under the Master Guarantee Agreement; and (ii) providing a joint liability guarantee which allows the Company to claim against Chengyu Vanadium Titano directly for any payments, losses and expenses incurred as a result of the CVT Guarantees; and

- Huili Caitong and Xiushuihe Mining shall pay an annual guarantee fee to the Company, which is calculated at 1.25% of the maximum guaranteed amount.

The Master Guarantee Agreement and the transactions contemplated thereunder have been approved by the independent Shareholders at the extraordinary general meeting held on 29 June 2022.

For further details about the Master Guarantee Agreement and the 2022 Counter Indemnity, please refer to the announcement and the circular of the Company dated 16 May 2022 and 8 June 2022, respectively.

Save for the above, as at 31 December 2022, the Group did not have any other material contingent liabilities and financial guarantees.

Pledge of Assets

The Group's pledge of assets as at 31 December 2022 was related mainly to a bank loan of RMB74.6 million granted to Aba Mining, which was secured by (i) the mining right of Maoling Mine and (ii) 100% equity interest of Aba Mining held by Sichuan Lingyu.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plan for Material Investments of Capital Assets

Except as disclosed in this MD&A and the audited consolidated financial statements for FY2022, there were no other significant investments held and/or committed by the Company, nor were there any other material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2022.

Except as disclosed in this announcement, there were no other material investments or additions of capital assets that were not related to normal operation authorised by the Board as at the date of this announcement.

Foreign Currency Risk

The Group's foreign currency exposures arose primarily from the exchange rate movement of foreign currencies, namely, HKD, USD and SGD, against the RMB. HKD, USD and SGD are the functional currencies of respective entities within the Group.

The RMB is not freely convertible. There is a risk that the Chinese government may take actions affecting exchange rates which may have a material adverse effect on the Group's net assets, earnings and any dividends it declares if such dividend is to be exchanged or converted into foreign currencies.

The Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. The management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the needs arise.

Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to bank deposits, interest-bearing bank and other borrowings and exchangeable notes (which are subject to fair value interest rate risk).

The Group manages its interest rate exposure arising from all its interest-bearing loans through the use of fixed rates. In addition, the Group has not used any interest rate swaps to hedge against interest rate risk. The Group will constantly monitor the economic situation and its interest rate risk profile, and will consider appropriate hedging measures when the needs arise.

Please refer to note 20 to the financial statement of this announcement for more details of the interest rates and terms of repayment of interest-bearing bank and other borrowings.

Capital Expenditures

The Group's total capital expenditures increased by RMB16.9 million to approximately RMB35.2 million for FY2022 (FY2021: RMB18.3 million) mainly due to engineering works performed in preparation for the progressive upgrade of the High-Fe Mining Operations and the expansion of the Maoling Mine areas.

Gearing Ratio

Gearing ratio is a measure of financial leverage, which is calculated by "net debt" divided by "total equity plus net debt". Net debt is defined as interest-bearing bank and other loans and lease liabilities, net of cash and cash equivalents and it excludes liabilities incurred for working capital purpose. Equity includes equity attributable to owners of the Company and non-controlling interests. As of 31 December 2022, the gearing ratio increased to approximately 10.3% (FY2021: 8.7%) due to the inclusion of lease liabilities resulting from the operating lease agreement for the new storage facility for mine tailings, which became effective since September 2022.

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2022, the Group had a total of 215 dedicated full time employees (FY2021: 127 employee), including 4 management staff members, 28 technical staff members, 22 administrative and sales & marketing staff members, and 161 operational staff members. For FY2022, the employee benefit expenses (including Directors' remuneration in the form of fees, salaries and other allowances) were approximately RMB22.0 million (FY2021: RMB14.4 million).

The emolument policies of the Group are based on performance, experience, competence and market comparable. Remuneration packages generally comprise salary, housing allowance, contribution to pension schemes and discretionary bonus relating to the performance of the Group. The Group has also adopted a share option scheme for its employees, providing incentives and rewards to eligible participants with reference to their contributions. Proper training programmes were implemented in order to promote employees' career development and progression within the Group.

OTHER SIGNIFICANT EVENTS

2023 Framework Agreements

As a continuity of the 2022 Framework Agreements, on 13 December 2022, Sichuan Lingwei entered into the 2023 Framework Agreements with Huili Caitong, Xiushuihe Mining and Yanyuan Xigang. Pursuant to the 2023 Framework Agreements, Sichuan Lingwei shall provide facility management services, comprising operational site routine services, mining engineering support services and consultancy services (the "FM Services"), to the mining camps of Huili Caitong, Xiushuihe Mining and Yanyuan Xigang for the period from 31 January 2023 to 31 December 2025. The annual cap for the transactions contemplated under the 2023 Framework Agreements for the year ending 31 December 2023, 2024 and 2025 are RMB26,000,000, RMB34,000,000 and RMB34,000,000, respectively.

The Relevant Substantial Shareholders collectively hold more than 30% equity interests in Chengyu Vanadium Titano, which in turn wholly owns Huili Caitong. Xiushuihe Mining is in turn a non-wholly owned subsidiary of Huili Caitong. Further, Yanyuan Xigang is ultimately held indirectly as to more than 30% by the Relevant Substantial Shareholders. Accordingly, each of Huili Caitong, Xiushuihe Mining and Yanyuan Xigang is an associate of the Relevant Substantial Shareholders and therefore is a connected person of the Company, and the transactions contemplated under the 2023 Framework Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Please refer to the Company's announcement dated 13 December 2022 and the Company's circular dated 10 January 2023 for further details. The 2023 Framework Agreement and the transactions contemplated thereafter were approved by independent Shareholders in the 2023 EGM.

Master Guarantee Agreement

On 29 June 2022, the Company obtained the independent Shareholders' approval for the Company to continue the provision of CVT Guarantees pursuant to the Master Guarantee Agreement for the period from 29 June 2022 to 31 December 2024.

Please refer to the Company's announcement dated 16 May 2022, the Company's circular dated 8 June 2022, and the section headed "Contingent Liabilities and Financial Guarantees" in this announcement for further details.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 22 June 2023 to Wednesday, 28 June 2023 (both days inclusive) during which no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the 2023 AGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 21 June 2023.

EXTRACT OF CHAIRMAN'S STATEMENT

The following "Outlook and Strategies" is extracted from the chairman's statement as written by the chairman of the Board:

"Outlook and Strategies

More recently, we learned that China has set a very modest target for economic growth of just 5% for 2023, which seems to be lower than many business analysts had expected. As such, the extent of the much-expected fiscal support for and the effect of these stimulus plans on its slowing economy amidst China's previous strict 'zero-COVID' approach, real estate debt crisis and tech crackdown are the closely watched factors.

Whilst we strongly believe that the China reopening will accelerate its economic recovery, there are still good reasons for us to remain cautious as we monitor the pace of such a rally for concrete signs of rebound. In view of these macro factors, our industry will continue to face varying degrees of uncertainty in the short to medium term that steel demand may remain weak, direct cost will rise, and operating margins could fall. In such an operating environment, our core strategies will largely remain unchanged, specifically:

- *We will remain focused on expanding our production capacity for the high-grade iron concentrates (with at least 70% TFe) that as previously highlighted, this growth initiative would incur some form of capital expenditures in licensing process, additional environmental compliance, modification and upgrading of existing production facilities and major mining engineering works; and*

- *We have segregated the mining facilities management activities from the upstream mining operations to sharpen our focus and strengthen our execution capabilities. The reorganised facilities management business unit has since recorded a maiden profit for FY2022, and we believe it will remain income-accretive as we work towards improving its economies of scale, expanding the service scopes, and diversifying our revenue streams.*

As reiterated, the long-term fundamentals of China's economic growth remain the essence of our focused corporate plans as we initiate several asset-light strategies and build agility to drive growth beyond this period of uncertainty."

CORPORATE GOVERNANCE

The Company has embraced the CG Code as its own code of corporate governance. The Directors consider that during FY2022, the Company has complied with all the applicable code provisions under the CG Code except for code provision C.5.3 which stipulates that notice of at least 14 days should be given of a regular Board meeting to give all Directors an opportunity to attend. During the Reporting Period, two regular Board meetings were convened with less than 14 days' notice to enable the Directors to react timely and make expeditious decisions in respect of the operations and internal affairs of the Group. As a result, the relevant Board meetings were held with a shorter notice period than required with the consent of all the Directors. The Board meetings were nevertheless duly convened and held in accordance with the Articles. Also, the complete set of the agenda and board papers for the meetings were sent to all Directors in a timely manner in accordance with code provision C.5.8 of the CG Code. The Board will use its best endeavours to comply with code provision C.5.3 of the CG Code in the future.

In view of the recent updates to the CG Code, the Company recognises the importance of gender diversity at the Board level and intends to actively seek out suitable candidates in accordance with the Listing Rules. The selection process for newly appointed Directors or potential successors to the Board will adhere to the Company's nomination policy and board diversity policy. The decision-making process will be based on the selected candidates' merits and contributions, taking into consideration the benefits of diversity on the Board and the Board's needs, without focusing solely on a single diversity aspect. The Board has set a goal to appoint at least one female Director by 31 December 2024, in line with the transitional requirement set out in Rule 13.92 of the Listing Rules.

Furthermore, in accordance with the recent updates to the CG Code under the Listing Rules, if all the independent non-executive directors of an issuer have served more than nine years on the Board, the issuer should appoint a new independent non-executive director at the forthcoming annual general meeting. As at FY2022, Mr. Yu Haizong and Mr. Liu Yi have both served for more than 9 years. Meanwhile, Mr. Wu Wen has been an independent non-executive Director since 1 November 2014 and is expected to have served for more than 9 years after 1 November 2023. To comply with code provision B.2.4 of the CG Code, the Company is working towards electing new independent non-executive director(s) at the 2024 annual general meeting.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During FY2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2022 will be dispatched to the Shareholders and available on the above websites in due course.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2022.

GLOSSARY

"2019 Completion"	Completion of the 2019 Disposal on 30 July 2019
"2019 Counter Indemnity"	a moveable asset pledge contract entered into between Chengyu Vanadium Titano and the Company on 30 July 2019 for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees (if any), and the pledge of the Chengyu Vanadium Titano's inventories (including but not limited to structural steels, coals etc) as security for such counter indemnity
"2019 Disposal"	the sale transaction of the Caitong Group from Sichuan Lingyu to Chengyu Vanadium Titano which was entered into on 29 January 2019 and completed on 30 July 2019
"2022 Counter Indemnity"	the counter indemnity agreement entered into between Chengyu Vanadium Titano and the Company on 16 May 2022 for the provision of counter indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company's contingent liabilities and potential claims covered under the Master Guarantee Agreement (if any), and the pledge of Chengyu Vanadium Titano's inventories (comprising structural steels and iron ores, or any other assets approved by the Company) as security for such counter indemnity
"2022 Framework Agreements"	comprising, (i) the facility management services framework agreement entered into between Huili Caitong and Xiushuihe Mining and Sichuan Lingwei on 21 March 2022 in relation to the provision of facility management services by Sichuan Lingwei to Huili Caitong and Xiushuihe Mining; and (ii) the facility management services framework agreement entered into between Yanyuan Xigang and Sichuan Lingwei on 21 March 2022 in relation to the provision of facility management services by Sichuan Lingwei to Yanyuan Xigang
"2023 AGM"	the annual general meeting of the Company to be held on 28 June 2023

"2023 EGM"	the extraordinary meeting of the Company held on 31 January 2023
"2023 Framework Agreements"	collectively, (i) the facility management services framework agreement entered into between Huili Caitong, Xiushuihe Mining and Sichuan Lingwei on 13 December 2022 in relation to the provision of facility management services by Sichuan Lingwei to Huili Caitong and Xiushuihe Mining; and (ii) the facility management services framework agreement entered into between Yanyuan Xigang and Sichuan Lingwei on 13 December 2022 in relation to the provision of facility management services by Sichuan Lingwei to Yanyuan Xigang
"Aba Mining"	Aba Mining Co., Ltd.* (阿壩礦業有限公司), a limited liability company established in the PRC on 27 February 2004 and an indirect wholly-owned subsidiary of the Company
"Aba Prefecture"	Aba Tibetan and Qiang Autonomous Prefecture
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Caitong Group"	refers to Huili Caitong and its subsidiaries, which engage in sale of self-produced low-grade iron concentrates within the range of 53% TFe to 55% TFe and have been disposed of by the Group on 30 July 2019
"CG Code"	in the context of this announcement, refers to the Corporate Governance Code set out in Appendix 14 to the Listing Rules that is applicable to the Corporate Governance Report for the Reporting Period, unless otherwise specified
"Chengyu Vanadium Titano"	Chengyu Vanadium Titano Technology Ltd.* (成渝釩鈦科技有限公司), formerly known as Weiyuan Steel Co., Ltd.* (威遠鋼鐵有限公司), a sino-foreign equity joint venture established in the PRC on 3 April 2001 and a connected person of the Company
"China", "Mainland China" or "PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Company"	China Vanadium Titano-Magnetite Mining Company Limited, a limited liability company incorporated in the Cayman Islands on 28 April 2008
"Companies Act"	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
"connected person"	has the meaning ascribed thereto in the Listing Rules
"Controlling Shareholder"	has the meaning ascribed thereto in the Listing Rules and in the context of this announcement, refers to Trisonic International, Kingston Grand, Messrs. Wang Jin, Shi Yinjun, Yang Xianlu, Wu Wendong, Zhang Yuangui and Li Hesheng
"CVT Guarantees"	guarantees given by the Company in favour of the Caitong Group guaranteeing, inter alia, the indebtedness owing by any company(ies) in the Caitong Group to certain banks and an asset management and financial services institution in the PRC with original maximum guaranteed amount of RMB730.0 million, or as reduced from time to time
"Director(s)"	director(s) of the Company or any one of them
"Disposal Group" or "Mancala Australia Group"	refers to the Mancala Holdings and its subsidiaries, which were disposed of and deconsolidated from the Group as at 31 July 2021, upon completion of the disposal
"Fe"	chemical symbol of iron element
"Financial Institutions"	certain banks and an asset management and financial services institution in the PRC in favour of which the Company entered into the CVT Guarantees with a maximum guaranteed amounts of RMB730.0 million as security in relation to credit facilities granted to the Huili Caitong and Xiushuihe Mining, respectively
"FY2021"	financial year ended and/or as at 31 December 2021, as applicable
"FY2022"	financial year ended and/or as at 31 December 2022, as applicable
"Group"	the Company and its subsidiaries
"gypsum"	a soft hydrous sulfate mineral with the chemical formula $CaSO_4 \cdot 2H_2O$

"High-Fe Mining Operations"	refers to operation of sale of self-produced high-grade iron concentrates within the range of 65% TFe to 72% TFe
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD"	the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huili Caitong"	Huili County Caitong Iron and Titanium Co., Ltd.* (會理縣財通鐵鈦有限責任公司), established in the PRC on 7 July 1998 and has been a foreign equity joint venture in the PRC since 29 December 2010, an indirect wholly-owned subsidiary of the Company till 30 July 2019
"IFRSs"	International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board and the International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect
"iron"	a silvery-white, lustrous, malleable, ductile, magnetic or magnetisable, metallic element occurring abundantly in combined forms, notably in hematite, limonite, magnetite, and taconite, and used in alloyed in a wide range of important structural materials
"iron concentrate(s)"	concentrate(s) whose main mineral content (by value) is iron
"iron ore(s)"	compounds of iron and oxygen (iron oxides) mixed with impurities (gangue); it is a mineral which when heated in the presence of a reductant will yield metallic iron
"Kingston Grand"	Kingston Grand Limited, a company incorporated in the British Virgin Islands on 20 February 2007, holder of 40% of the issued share capital of Trisonic International
"km."	kilometre(s), a metric unit measure of distance
"Kt"	thousand tonnes
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

"Mancala Holdings"	Mancala Holdings Limited, a company incorporated in the Cayman Islands, which was owned as to 81% by the Company till 31 July 2021
"Maoling Extended Exploration Area"	formerly an independent exploration region with an area of 2.83 sq.km. covered under the extended exploration permit of the Maoling Mine (covering 1.9 sq.km. of the mining area of the Maoling Mine), and has been consolidated with the Yanglongshan Mine since September 2012 to form the Maoling-Yanglongshan Mine
"Maoling Mine"	an ordinary magnetite mine located in Wenchuan County, Sichuan, with a mining area of 1.9 sq.km.
"Maoling Processing Plant"	the ore processing plant located near the Maoling-Yanglongshan Mine and operated by Aba Mining
"Maoling-Yanglongshan Mine"	an exploration region with a total area of 11.6 sq.km. covered under the exploration permit of the Maoling-Yanglongshan Mine (the mining area covered is owned by the Maoling Mine), formed from the combination of the Maoling Extended Exploration Area and the Yanglongshan Mine since September 2012 and operated by Aba Mining
"Master Guarantee Agreement"	the master guarantee agreement entered into between the Company, Huili Caitong, Xiushuihe Mining and Chengyu Vanadium Titano on 16 May 2022 under which the Company agreed to continue to provide the CVT Guarantees on certain conditions
"mining right(s)"	the right(s) to mine mineral resources and obtain mineral products in areas where mining activities are licensed
"Mt"	million tonnes
"Net Profit"	profit attributable to owners of the Company
"N/A"	not applicable
"ore processing"	the process which in general refers to the extraction of usable portions of ores by using physical and chemical extraction methods
"Relevant Substantial Shareholders"	Mr. Wang Jin, Mr. Shi Yinjun, Mr. Zhang Yuangui, Mr. Li Hesheng and Mr. Wu Wendong, are parties acting in concert and some of the substantial Shareholders

“Remaining Group”	the Company and its subsidiaries, excluding the Caitong Group or the Mancala Australia Group, as the case may be
“RMB”	the lawful currency of the PRC
“Reporting Period”	the year ended 31 December 2022
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of HKD0.1 each
“Shareholder(s)”	holder(s) of the Share(s)
“Shigou Gypsum Mine”	Shigou gypsum mine located at Hanyuan County, Ya’an City, Sichuan, with a mining area of 0.1228 sq.km.
“Sichuan”	the Sichuan province of the PRC
“Sichuan Lingwei”	Sichuan Lingwei Property Service Co., Ltd.* (四川省凌威物業服務有限公司), a limited liability company established in the PRC on 7 July 2021 and an indirect wholly-owned subsidiary of the Company
“Sichuan Lingyu”	Sichuan Lingyu Investment Group Co., Ltd.* (四川省凌御投資集團有限公司), a limited liability company established in the PRC on 9 June 2010 and an indirect wholly-owned subsidiary of the Company
“SGD”	the lawful currency of the Republic of Singapore
“sq.km.”	square kilometres
“TFe”	the symbol for denoting total iron
“Trisonic International”	Trisonic International Limited, a company incorporated in Hong Kong on 19 July 2006 and a Controlling Shareholder
“USD”	the lawful currency of the United States of America
“Wenchuan County”	Wenchuan County, Aba Prefecture, Sichuan Province
“Xiushuihe Mining”	Huili Xiushuihe Mining Co., Ltd.* (會理秀水河礦業有限公司), a limited liability company established in the PRC on 26 June 2007, an indirect subsidiary of the Company which owned 95.0% equity interest through Huili Caitong till 30 July 2019

"Yanglongshan Mine"	an ordinary magnetite mine located in Wenchuan County, Sichuan, formerly an independent exploration region with an area of 8.79 sq.km. covered under the exploration permit of the Yanglongshan Mine, and has been consolidated as the Maoling-Yanglongshan Mine with the original Maoling Extended Exploration Area since September 2012
"Yanyuan Xigang"	Yanyuan Xigang Clean Coal Co., Ltd.* (鹽源西鋼精煤有限責任公司), a limited liability company established in the PRC

* *For identification purpose only*

For and on behalf of the Board
China Vanadium Titano-Magnetite Mining Company Limited
Teh Wing Kwan
Chairman

Hong Kong, 29 March 2023

As at the date of this announcement, the Board comprises Mr. Teh Wing Kwan (Chairman) as non-executive Director; Mr. Hao Xiemin (Acting Chief Executive Officer and 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