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

**中國鈮鈦磁鐵礦業有限公司**

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

**(Stock Code: 00893)**

**INSIDE INFORMATION  
UPDATE ON LITIGATION INVOLVING  
A FORMER SUBSIDIARY**

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

Reference is made to the circulars dated 10 June 2019 and 8 June 2022; the announcements dated 30 July 2019 and 28 March 2024; and the annual report for the financial year ended 31 December 2023 of the Company (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company was informed that Huili Caitong, the Company’s former indirect wholly-owned subsidiary, received preliminary judgements from Chengdu Intermediate People’s Court, Sichuan Province (四川省成都市中級人民法院) and Xichang People’s Court, Sichuan Province (四川省西昌市人民法院) (the “**Courts**”) in relation to the Litigation, among others, pursuant to which Huili Caitong was ordered to repay CCB the principal indebtedness of RMB276.9 million, interest and applicable charges under loan facilities granted by CCB (the “**Indebtedness Amount**”) (the “**Judgements**”). As the Company has provided a corporate guarantee prior to the disposal of the Huili Caitong Group in 2019, the Courts also set out that the Company is required to fulfil its corporate guarantee obligations under the CVT Guarantees (the “**CVT Guarantee Obligations**”) and may appeal against the decision of the Courts in relation to CVT Guarantee Obligations by 30 June 2024.

As disclosed in the Company's annual report for the financial year ended 31 December 2023 and announcement dated 28 March 2024, in response to the CVT Guarantees amidst the increasingly higher credit risk environment as mentioned, the Company has engaged legal advisor in China (the "**PRC Legal Advisor**") and conducted its own internal assessment with respect to the CVT Guarantees, including assessment of the adequacy of the Master Guarantee Agreement which was entered into between the Company and the parent company of Huili Caitong, Chengyu Vanadium Titano on 16 May 2022 for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company under the 2022 Counter Indemnity, 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.

In response to the CVT Guarantee Obligations, the Company had on 18 June 2024 served a legal demand letter (the "**CVT Legal Demand**") against Huili Caitong and Xiushuihe Mining; and Chengyu Vanadium Titano (the "**Huili Caitong Parties**"), respectively.

The CVT Legal Demand requests, among others:

- Chengyu Vanadium Titano to ensure Huili Caitong to repay the Indebtedness Amount; and Huili Caitong to perform, satisfy and/or fulfil its obligations to CCB in relation to the Indebtedness Amount according to the Judgements and/or to proactively engage discussions with CCB, including but not limited to exploring potential options for settlements and/or debts restructuring, as applicable and if so required;
- a creation of an additional charge in favour of the Company against the operating assets of the Huili Caitong Parties, including the pledged operating assets for which pre-existing charge has been created in favour of any other chargors, as applicable. Subject to the consent of the pre-existing chargor(s), the Huili Caitong Parties shall (i) take all necessary actions and sign all required documentation to facilitate and/or give effect to the creation of the proposed additional charge; and (ii) ensure that this proposed additional charge does not affect the Company's existing rights, remedies and entitlements which the Company may claim against Chengyu Vanadium Titano under the 2022 Counter Indemnity; and
- Chengyu Vanadium Titano to perform, satisfy and fulfil its obligations under the 2022 Counter Indemnity which covers the Company's contingent liabilities and potential claims under the Master Guarantee Agreement, including (i) the Indebtedness Amount; (ii) all costs incurred by the Company for effecting its right under the 2022 Counter Indemnity; and (iii) any other cost which shall be borne by Chengyu Vanadium Titano should the Company suffer any financial losses arising from the CVT Guarantee Obligations.

As at the date of this announcement:

- the Company has received written confirmation from Chengyu Vanadium Titano that it will continue to fulfil its obligations under the Master Guarantee Agreement;
- the Huili Caitong Parties have agreed to take all necessary actions and sign all required documentation to facilitate and/or give effect to the creation of the proposed additional charge, subject to the consent of the first chargor; and

- the Company reasonably believes that the indicative market value and the indicative forced sale value (as estimated for an uncontrollable event) of the operating assets of the Huili Caitong Parties (on which the Company's request to create an additional charge has been made thereon) remains higher than the Indebtedness Amount.

The proposed additional charge in favour of the Company against the operating assets of the Huili Caitong Parties serves as further measures to confer protection and safeguard the interest of the Company should there be a need for the Company to further substantiate its priority of claims in an uncontrollable event.

As previously disclosed in the Company's annual report for the financial year ended 31 December 2023 and announcement dated 28 March 2024, having considered (i) the financial positions of both Huili Caitong and Xiushuihe Mining as at 31 December 2023; (ii) the adequacy of the transaction contemplated under the Master Guarantee Agreement, including the latest independent valuation report dated 22 March 2024 in relation to the value of inventories pledged in favour of the Company thereunder remained substantially higher than the maximum guarantee amount as at 31 December 2023; and (iii) other currently available information to the Group, the Group does not expect the above matter to have material impact on its business operations and financial position as at the date of this announcement save for the additional administrative expenses (including legal and other professional fees) as may be incurred by the Company. As at the date of this announcement, the Company has performed its internal assessment and continues to believe that the Master Guarantee Agreement remains adequate.

The Company has appointed the PRC Legal Advisor to further analyse the Judgements and it may file an appeal on or before 30 June 2024. The Company will vigorously pursue its rights against Chengyu Vanadium Titano through the enforcement of the 2022 Counter Indemnity should the Company suffers from any losses as a result of the CVT Guarantee Obligations, including its right to file an arbitration claim with the Chengdu Arbitration Commission (成都仲裁委員會) against the Huili Caitong Parties, as applicable.

The Company will closely monitor the situation and should there be any changes in the above circumstances or as and when there is a material development in the above matter, the Company will issue announcements to provide further update.

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

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

Hong Kong, 19 June 2024

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

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