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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**

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 of the Company dated 10 June 2019 and 8 June 2022 (the “**Circulars**”), and the announcements of the Company dated 30 July 2019, 16 May 2022, 28 March 2024, 19 June 2024, 19 August 2024 and 21 August 2024 (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board wishes to inform the Shareholders and potential investors that the Company’s former indirect wholly-owned subsidiary, Huili Caitong has received a legal demand letter from China Cinda Asset Management Co., Ltd, Sichuan Branch\* (中國信達資產管理股份有限公司四川省分公司) (“**Cinda**”), requiring immediate repayment of the principal indebtedness of RMB141.0 million and accumulated interest thereof (the “**Cinda-Caitong Indebtedness Amount**”). The Cinda-Caitong Indebtedness Amount represents the outstanding indebtedness owing by Huili Caitong under loan facilities originally extended by China Merchant Bank Co., Ltd, Chengdu Branch\* (中國招商銀行股份有限公司成都分公司) (“**CMB**”), on which the Company had previously provided a corporate guarantee in September 2014, prior to the assignment of such indebtedness by CMB to Cinda in 2017 and prior to the disposal of Huili Caitong Group in 2019, details of which have been disclosed in the Circulars (the “**CVT Guarantees to Cinda**”). Under the CVT Guarantees to Cinda, the Company shall fulfil its corporate guarantee obligations in relation to the Cinda-Caitong Indebtedness Amount (the “**CVT Guarantee Obligations to Cinda**”).

Following receipt of the legal demand letter from Cinda, Huili Caitong has informed the Company that (i) it is unlikely that it will be able to make immediate repayment of the Cinda-Caitong Indebtedness Amount; and (ii) it will continue to engage in discussions and negotiate alternatives with Cinda, including but not limited to exploring options for settlements and/or debts restructuring, as applicable and if so required.

While no litigation has been commenced by Cinda against Huili Caitong as at the date of this announcement, the Company's discussions with its PRC legal advisors and management of Huili Caitong indicate an elevated risk of litigation against Huili Caitong should Huili Caitong fails to (i) repay the Cinda-Caitong Indebtedness Amount as demanded; and/or (ii) reach a mutually acceptable debt restructuring arrangement with Cinda (the "**Potential Cinda-Caitong Litigation**"). In the event of commencement of Potential Cinda-Caitong Litigation, the Company will be required to fulfill its guarantee obligations under the CVT Guarantees to Cinda, which was established in September 2014.

In response to the CVT Guarantee Obligations to Cinda, the Company had on 15 November 2024 served a legal demand letter against the Huili Caitong Parties (as applicable), among others:

- Huili Caitong to repay the Cinda-Caitong Indebtedness Amount and to perform, satisfy and/or fulfil its obligations to Cinda in relation to the Cinda-Caitong Indebtedness Amount and/or to proactively engage in discussions with Cinda, including but not limited to exploring potential options for settlements and/or debts restructuring, as applicable and if so required;
- to update and expedite the process of creating 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 chargees, as applicable, which the Company had previously requested on 18 June 2024 and 19 August 2024; 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 Cinda-Caitong Indebtedness Amounts; (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 to Cinda.

The Company had since obtained confirmations:

- from Chengyu Vanadium Titano that it will continue to fulfil its obligations under the Master Guarantee Agreement; and

- from Huili Caitong and Xiushuihe Mining that while the pre-existing chargee has agreed in principle to the proposed additional charge, however the local Bureaus of Natural Resource have clarified that, registering a charge in favor of a non-financial institution on mining concession is currently not permitted under the policy of the Ministry of Natural Resources\* (國家自然資源部). In view of this, the Company's management has requested Huili Caitong and Xiushuihe Mining to initiate and facilitate the process of creating additional charges on fixed operating assets, such as machineries, equipment, and infrastructures.

Having considered (i) the financial positions of both Huili Caitong and Xiushuihe Mining (including the indicative market values of their operating assets) as at 30 September 2024; (ii) the adequacy of the transaction contemplated under the Master Guarantee Agreement, including the latest independent valuation report dated 14 November 2024 in relation to the value of inventories pledged in favour of the Company thereunder (and after accounting for the potential CVT Guarantee Obligations to CCB and ICBC, details of which have been disclosed in the Announcements) remained substantially higher than the maximum guarantee amount as at the date of this announcement; and (iii) other currently available information available 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.

Whilst the Company is not able to determine if the Potential Cinda-Caitong Litigation will materialise at this juncture, 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.

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 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, 15 November 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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*\* for identification purpose only*