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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)

**MAJOR TRANSACTION AND
CONTINUING CONNECTED TRANSACTION
AND
RENEWAL OF MASTER GUARANTEE AGREEMENT**

EXISTING CONTINUING CONNECTED TRANSACTION

Huili Caitong, the Company's former wholly-owned subsidiary, and Xiushuihe Mining, another former indirect subsidiary of the Company and a subsidiary of Huili Caitong, previously secured loan facilities from the Financial Institutions in 2010, 2013 and 2014, and on which the Company has provided the CVT Guarantees in favour to each of the Financial Institutions with maximum guaranteed amounts of RMB730.0 million. The details of the CVT Guarantees had previously been disclosed in the Circulars and the Company's annual reports; and are consistent with the terms and conditions for the completion of the Disposal.

Following the Disposal, the Company and Chengyu Vanadium entered into the 2019 Counter Indemnity for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees. The 2019 Counter Indemnity remains effective until the date of actual release of the CVT Guarantees.

Given that the CVT Guarantees are continuing in nature and will only be released by the Financial Institutions upon full and final settlements are made, the Company has, on 16 May 2022, extended the CVT Guarantees by entering into the 2022 Master Guarantee Agreement and the 2022 Counter Indemnity with Chengyu Vanadium, which allows the Company to claim against Chengyu Vanadium directly for any payments, losses and expenses incurred as a result of the provision of CVT Guarantees. The terms set out thereof, the transactions contemplated thereby together with the existing guarantee annual caps for the three years ended 31 December 2024 (the “**Existing Guarantee Annual Caps**”) as set out in the circular of the Company dated 8 June 2022, were subsequently approved by the Independent Shareholders at the 2022 EGM. The Existing Guarantee Annual Caps have expired on 31 December 2024 and following which, the Company intends to seek approval from the Independent Shareholders to renew the Existing Guarantee Annual Caps for another three financial years ending 31 December 2027 (the “**Renewal Period**”) in the upcoming 2025 EGM for the purpose of good corporate governance practice, in consistent with the practice of 2022 EGM.

As disclosed in the Company’s announcements dated 28 March 2024, 19 June 2024, 19 August 2024, 21 August 2024, 15 November 2024 and 23 December 2024, (i) CCB and ICBC had each taken legal actions against Huili Caitong and Xiushuihe Mining, respectively, in relation to the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, the ICBC-Xiushuihe Indebtedness Amount; and (ii) Cinda had issued a legal demand letter to Huili Caitong in relation to the Cinda-Caitong Indebtedness Amount, on which the Company had previously provided corporate guarantees prior to the Disposal. Under the CVT Guarantees, the Company shall fulfill its corporate guarantee obligations in relation to the Total Indebtedness Amounts.

2025 MASTER GUARANTEE AGREEMENT

Given the above, on 11 February 2025 (after trading hours), the Company, the Borrowers and Chengyu Vanadium have entered into the 2025 Master Guarantee Agreement. Pursuant to the 2025 Master Guarantee Agreement and subject to the terms and conditions provided therein and the approval by the Independent Shareholders at the 2025 EGM, the terms of the 2022 Master Guarantee Agreement will be extended to 31 December 2027, under which (i) the Company has agreed to continue to provide the CVT Guarantees; (ii) Chengyu Vanadium has agreed to continue to provide the counter-indemnity in favour of the Company; and (iii) the Borrowers have agreed to continue to pay annual guarantee fees to the Company.

On the same date (after trading hours), pursuant to the terms of the 2025 Master Guarantee Agreement, Chengyu Vanadium has entered into the 2025 Counter Indemnity to cover the Company’s contingent liabilities and potential claims under the 2025 Master Guarantee Agreement and agreed to continue pledging inventories (mainly comprising industrial materials), and any other assets (mainly comprising machinery and equipment) as approved by the Company as security for such counter indemnity.

The proposed revised guarantee annual caps under the 2025 Master Guarantee Agreement represent the higher of the following two scenarios (the “**Revised Guarantee Annual Caps**”):

- Scenario 1: RMB690.0 million – being the maximum guaranteed amounts provided by the Company under the CVT Guarantees as at 31 December 2024 (the “**Scenario 1 Proposed Annual Cap**”); and
- Scenario 2: RMB930.0 million – being the maximum guaranteed amounts under the CVT Guarantees estimated for the Renewal Period, which take into account accumulated interests, penalties and other incidental expenses based on hypothetical assumptions that there are no settlement, repayment and/or reduction in the principal amount of the Total Indebtedness Amounts, which may or may not occur during the Renewal Period as may arise from the Ongoing Discussions (the “**Scenario 2 Proposed Annual Cap**”).

The Scenario 2 Proposed Annual Cap for each of the three years during the Renewal Period is as follows:

- RMB792.0 million for the financial year ending 31 December 2025;
- RMB859.0 million for the financial year ending 31 December 2026; and
- RMB930.0 million for the financial year ending 31 December 2027.

Further details are set out in the section headed “Proposed Revised Guarantee Annual Caps” below in this announcement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the maximum amount of the CVT Guarantees under the 2025 Master Guarantee Agreement exceed 25%, the 2025 Master Guarantee Agreement and the transactions contemplated thereunder constitute a major transaction, which is subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules. (Note: the transactions contemplated herein is not an acquisition by the Company).

Given that (i) the Relevant CVT Substantial Shareholders collectively hold more than 30% equity interests in Chengyu Vanadium; and (ii) Xiushuihe Mining is owned as to 95% by Huili Caitong, which in turn is directly wholly owned by Chengyu Vanadium, each of Chengyu Vanadium, Xiushuihe Mining and Huili Caitong is a connected person of the Company under Chapter 14A of the Listing Rules. In addition, the CVT Guarantees are continuing in nature and will only be released upon the full and final settlement are made and officially discharged by the respective Financial Institutions. As such, the transactions contemplated under the 2025 Master Guarantee Agreement also constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The IBC (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Caps) and the transactions contemplated thereunder. The IFA (namely Goldlink Capital (Corporate Finance) Limited) has been appointed as the independent financial adviser to advise the IBC and the Independent Shareholders in this regard.

The 2025 EGM will be convened and held by the Company for the Independent Shareholders to consider and, if thought fit, approve, among other things, the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Caps) and the transactions contemplated thereunder. As the Borrowers are ultimately controlled by the Relevant CVT Substantial Shareholders, the Relevant CVT Substantial Shareholders, Trisonic International (through which the Relevant CVT Substantial Shareholders held the Shares), and their respective close associates are therefore required to abstain from voting on the resolutions proposed to be passed at the 2025 EGM for approving the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, (1) further details of the 2025 Master Guarantee Agreement; (2) a letter of recommendation from the IBC to the Independent Shareholders; (3) the letter of advice from the IFA to the IBC and the Independent Shareholders; and (4) the notice convening the 2025 EGM and the proxy form, is expected to be dispatched to the Shareholders on or before 3 March 2025.

BACKGROUND

References are 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, 21 August 2024, 15 November 2024 and 23 December 2024 (the “**Announcements**”) in relation to the CVT Guarantees. Unless otherwise stated or defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Circulars and the Announcements.

As disclosed in the Circulars and the Announcements, Huili Caitong, the Company’s former wholly-owned subsidiary, and Xiushuihe Mining, another former indirect subsidiary of the Company and a subsidiary of Huili Caitong, previously secured loan facilities from the Financial Institutions, in 2010, 2013 and 2014, and on which the Company has provided the CVT Guarantees in favour to each of the Financial Institutions with a maximum guaranteed amounts of RMB730.0 million. The details of the CVT Guarantees had previously been disclosed in the Circulars and the Company’s annual reports; and are consistent with the terms and conditions for the completion of the Disposal.

Following the Disposal, the Company and Chengyu Vanadium entered into the 2019 Counter Indemnity for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company’s contingent liabilities and potential claims under the CVT Guarantees. The 2019 Counter Indemnity remains effective until the date of actual release of the CVT Guarantees.

Given that the CVT Guarantees are continuing in nature and will only be released by the Financial Institutions upon full and final settlements are made, the Company had, on 16 May 2022, extended the CVT Guarantees by entering into the 2022 Master Guarantee Agreement and the 2022 Counter Indemnity with Chengyu Vanadium, which allows the Company to claim against Chengyu Vanadium directly for any payments, losses and expenses incurred as a result of the provision of CVT Guarantees. The terms set out thereof, the transactions contemplated thereby together with the proposed annual caps for the three years ended 31 December 2024 as set out in 2022 EGM Circular, were subsequently approved by the Independent Shareholders at the 2022 EGM.

As disclosed in the Company's announcements dated 28 March 2024, 19 June 2024, 19 August 2024, 21 August 2024, 15 November 2024 and 23 December 2024, (i) CCB and ICBC had each taken legal actions against Huili Caitong and Xiushuihe Mining, respectively, in relation to the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, the ICBC-Xiushuihe Indebtedness Amount; and (ii) Cinda had issued a legal demand letter to Huili Caitong in relation to the Cinda-Caitong Indebtedness Amount, on which the Company had previously provided corporate guarantees prior to the Disposal, details of which have been disclosed in the Circulars. Under the CVT Guarantees, the Company shall fulfill its corporate guarantee obligations in relation to the Total Indebtedness Amounts.

OVERVIEW AND STATUS OF THE INDEBTEDNESS CLAIMS

A summary of the Indebtedness Claims as at the date of this announcement is as follows:

No.	Borrowers	Financial Institutions	Year of inception of the loan	Principal amount involved in the Indebtedness Claims (RMB'000)	Status as at the date of this announcement (the "Status Updates")
1	Huili Caitong	Cinda ¹	2014	140,975	Huili Caitong had received a legal demand letter from Cinda and has since initiated discussions with Cinda to explore potential settlement options and/or debt restructuring arrangements, as previously announced on 15 November 2024.
2	Huili Caitong	ICBC	2013	69,715	Separate litigations have been commenced against Huili Caitong and Xiushuihe Mining and the Huili Caitong Parties are in discussions with ICBC to explore potential options for settlement and/or debt restructuring, as previously announced on 19 August 2024 and 21 August 2024.
3	Xiushuihe Mining	ICBC	2013	19,000	

¹ As disclosed in the Company's circular dated 8 June 2022, the Company was informed of the assignment by CMB of all its rights in the credit agreement and the guarantee in favour of Cinda.

No.	Borrowers	Financial Institutions	Year of inception of the loan	Principal amount involved in the Indebtedness Claims (RMB'000)	Status as at the date of this announcement (the "Status Updates")
4	Huili Caitong	CCB	2010	276,929	Huili Caitong has received Judgements, and the Judgements also set out that the Company is required to fulfil its corporate guarantee obligations under the CVT Guarantees. The Huili Caitong Parties are in discussion with CCB to explore potential options for settlement and/or debt restructuring, as previously announced on 29 March 2024 and 19 June 2024.
				506,619	

As at the date of this announcement, the maximum guaranteed amounts provided by the Company under the CVT Guarantees as at 31 December 2024 were RMB690.0 million, which are also the Scenario 1 Proposed Annual Cap. However, as stated in the Status Updates, the Huili Caitong Parties are still in discussions with the Financial Institutions as at the date of this announcement, exploring potential options for settlement and/or debt restructuring (the "Ongoing Discussions"); and the outcomes of the Ongoing Discussions are likely to remain uncertain as at the date of the 2025 EGM.

Under such circumstances, assuming that there are no settlements, repayments and/or reductions in the principal amount of the Total Indebtedness Amounts, which may or may not occur during the Renewal Period as may arise from the Ongoing Discussions, the total maximum guaranteed amounts comprising (i) the principal amount of the Total Indebtedness Amounts; and (ii) the accumulated interests, penalties and other incidental expenses (the "Scenario 2 Estimated Incidental Costs and Expenses"), are estimated to be approximately RMB930.0 million by 31 December 2027, which are also the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap.

The details of the Scenario 2 Proposed Annual Cap, which takes into consideration the Scenario 2 Estimated Incidental Costs and Expenses, are set out as follows:

Financial year	Scenario 2 Proposed Annual Cap (RMB'000)
FY2025	792,000
FY2026	859,000
FY2027	930,000

As such, on 11 February 2025, notwithstanding the maximum guaranteed amounts under the CVT Guarantees were RMB690.0 million as at 31 December 2024, the Company has entered into the 2025 Master Guarantee Agreement with the Borrowers and Chengyu Vanadium, pursuant to which the Company will continue to provide the CVT Guarantees based on the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap as illustrated and explained above, while Chengyu Vanadium will continue to provide the counter-indemnity in favour of the Company and the Borrowers will continue to pay annual guarantee fees to the Company, for a term of three years ending on 31 December 2027. For further details, please refer to the section headed “Rationale For Entering Into the 2025 Master Guarantee Agreement” below in this announcement.

2025 MASTER GUARANTEE AGREEMENT

The salient terms of the 2025 Master Guarantee Agreement are summarized below:

Date: 11 February 2025 (after trading hours)

Parties:

- (i) the Company;
- (ii) Huili Caitong;
- (iii) Xiushuihe Mining; and
- (iv) Chengyu Vanadium

Period: commencing from the Effective Date to 31 December 2027

Major Terms

1. The Company shall continue to provide the CVT Guarantees in favour of the Financial Institutions for a term commencing from the Effective Date to 31 December 2027, subject to a maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap of not more than RMB930.0 million.
2. The CVT Guarantees shall continue to be provided under the 2025 Master Guarantee Agreement and shall cover:
 - (a) the Total Indebtedness Amounts owing by the Borrowers to the Financial Institutions under the CVT Guarantees;
 - (b) any loans approved by the Financial Institutions resulting from rollover, extension, refinancing, or restructuring of the indebtedness set out in (a) above from time to time; and
 - (c) costs of enforcing the indebtedness set out in (a) above against the Borrowers incurred by the Financial Institutions, including the estimated amounts under the Scenario 2 Estimated Incidental Costs and Expenses.

3. During the term of extension of the CVT Guarantees, the Borrowers shall:
 - (a) continue to pay the annual guarantee fees to the Company, calculated at 1.25% of the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap, in accordance with the terms of the 2025 Master Guarantee Agreement. The annual guarantee fees shall start to accrue from 1 January 2025 and the Borrowers shall pay such annual guarantee fees within 30 days after the end of each calendar quarter, subject to compliance with applicable laws, regulations, and the Listing Rules.
 - (b) The rate of the annual guarantee fees has been determined based on arm's length negotiations between the Company and the Borrowers having considered (i) the market rates generally payable for the provision of corporate guarantees by publicly listed companies in Hong Kong; (ii) the quantum of the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap; and (iii) the basis of which the annual guarantee fees for the past three years ended 31 December 2024 had been determined; and
 - (c) shall continue to fulfill their obligations under the 2025 Master Guarantee Agreement until the obligations of the Company under the CVT Guarantees are fully released and officially discharged by the respective Financial Institutions or until the Borrowers and the Company reach a new replacement agreement in writing.

4. During the term of extension of the CVT Guarantees, Chengyu Vanadium shall:
 - (a) continue to pledge its inventories (mainly comprising industrial materials), and any other assets (mainly comprising machinery and equipment) as approved by the Company (the "**Pledged Assets**") as security for such counter-indemnity. The market value of such Pledged Assets shall not be less than 1.25 times of the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap;
 - (b) continue to provide a joint liability guarantee which allows the Company to claim against Chengyu Vanadium directly for any payments, losses and expenses incurred as a result of the CVT Guarantees; and
 - (c) continue to fulfill its obligations under the 2025 Master Guarantee Agreement and 2025 Counter Indemnity until the Company's obligations under the CVT Guarantees are fully released and officially discharged by the respective Financial Institutions or until the Borrowers and the Company reach a new replacement agreement in writing.

In this connection, Chengyu Vanadium has entered into the 2025 Counter Indemnity to cover the Company's contingent liabilities and potential claims under the 2025 Master Guarantee Agreement and to continue to pledge Chengyu Vanadium's Pledged Assets as security for such counter-indemnity. The 2025 Counter Indemnity shall take effect from the Effective Date.

Conditions Precedent

The 2025 Master Guarantee Agreement shall be conditional upon the approval of the Independent Shareholders at the 2025 EGM in accordance with the Listing Rules.

Existing Guarantee Annual Caps and Historical Transaction Amounts

The Existing Guarantee Annual Caps and the Group's historical maximum guaranteed amounts under the CVT Guarantees for the three years ended 31 December 2024 are set out below:

	2022	2023	2024
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Existing Guarantee Annual Caps	730.0	730.0	730.0
Historical maximum guaranteed amounts	690.0	690.0	690.0

PROPOSED REVISED GUARANTEE ANNUAL CAPS

The proposed Revised Guarantee Annual Caps are as follows:

Period	Revised Guarantee Annual Caps <i>RMB'million</i>
From Effective Date to 31 December 2025	930.0
From 1 January 2026 to 31 December 2026	930.0
From 1 January 2027 to 31 December 2027	930.0

The above proposed Revised Guarantee Annual Caps have been determined after taking into account of the followings:

1. the total amount outstanding under the CVT Guarantees as at 31 December 2024, the historical maximum guaranteed amounts mandated under the CVT Guarantees, and that the CVT Guarantees have not been released by the Financial Institutions as at the date of this announcement; and
2. as the outcomes of the Ongoing Discussions are likely to remain uncertain as at the date of the 2025 EGM, the maximum guaranteed amounts estimated for the Renewal Period under the Scenario 2 Proposed Annual Cap, taking into consideration of the Scenario 2 Estimated Incidental Costs and Expenses, have been estimated based on hypothetical assumptions that, which may or may not occur, there are no settlements, repayments and/or reductions in the principal amount of the Total Indebtedness Amounts even though such amounts may not necessarily be crystallised in full if progressive repayments could be made by the Borrowers once the outcomes of the Ongoing Discussions can be concluded during the Renewal Period.

The Directors (except the IBC, whose views will be contained in the circular after considering the advice from the IFA) consider that the above proposed Revised Guarantee Annual Caps are fair and reasonable.

RATIONALE FOR ENTERING INTO THE 2025 MASTER GUARANTEE AGREEMENT

Given that the CVT Guarantees are continuing in nature and will only be released by the Financial Institutions upon full and final settlements are made, the Company had, on 16 May 2022, extended the CVT Guarantees by entering into the 2022 Master Guarantee Agreement and the 2022 Counter Indemnity with Chengyu Vanadium, which allows the Company to claim against Chengyu Vanadium directly for any payments, losses and expenses incurred as a result of the provision of CVT Guarantees. The terms set out thereof, the transactions contemplated thereby together with the proposed annual caps for the three years ended 31 December 2024 as set out in the 2022 EGM Circular, were subsequently approved by the Independent Shareholders at the 2022 EGM. Based on the Announcements and the Status Updates, the Company would like to further highlight that:

- the Company will have to fulfill its corporate guarantee obligations under the CVT Guarantees in relation to the Total Indebtedness Amounts, given the continuity nature of the CVT Guarantees;
- the Company's rights to claim against Chengyu Vanadium directly through the enforcement of the 2022 Counter Indemnity should the Company suffers from any losses as a result of the CVT Guarantees to any of the Financial Institutions will not be affected by the fact that the Existing Guarantee Annual Caps had expired on 31 December 2024, given the counter-indemnity measures and the undertaking, as provided by Chengyu Vanadium and the Borrowers in favour of the Company of their obligations under the 2022 Counter Indemnity for keeping the Company indemnified against any loss and costs that may be suffered by the Company in connection with any enforcement by any Financial Institution of any CVT Guarantees;
- the Company has received confirmation from Chengyu Vanadium that it will continue to fulfill its obligations under the 2022 Master Guarantee Agreement and 2022 Counter Indemnity and the Huili Caitong Parties have further confirmed to the Company in writing that they will continue to fulfill such obligations even after 31 December 2024, regardless of the outcome of 2025 EGM (the "**Huili Caitong Confirmation**"); and
- in view of the Company's corporate guarantee obligations for the Total Indebtedness Amounts under the CVT Guarantees (which fall within the ambit of the 2022 Master Guarantee Agreement as approved in the 2022 EGM) and having considered the hypothetical assumptions under the Scenario 2 Proposed Annual Cap, the Company has requested the Huili Caitong Parties to continue to pay the annual guarantee fees, calculated at 1.25% of the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap, which the Huili Caitong Parties have agreed.

Having considered the above and notwithstanding the Huili Caitong Confirmation, the Company, for the purpose of good corporate governance practice and in consistent with the practice of 2022 EGM, intends to seek Independent Shareholders' approval in the 2025 EGM, to enter into the proposed 2025 Master Guarantee Agreement after the expiry of the 2022 Master Guarantee Agreement on 31 December 2024, such that the proposed 2025 Master Guarantee Agreement will take into consideration of the Status Updates; and shall cover the Revised Guarantee Annual Caps and the above annual guarantee fees, which are to be extended for the Renewal Period.

As a matter of transparency, notwithstanding that the total maximum guaranteed amounts as at 31 December 2024 of RMB690.0 million under the Scenario 1 Proposed Annual Cap was lower than RMB730.0 million which was originally approved in the 2022 EGM due to progressive repayments made by the Borrowers, the Company intends to seek approval from the Independent Shareholders to renew the Existing Guarantee Annual Caps for the Renewal Period in the 2025 EGM with the Scenario 2 Proposed Annual Cap given that the outcomes of the Ongoing Discussions are likely to remain uncertain as at the date of the 2025 EGM. The Company needs to highlight that the maximum guaranteed amounts under the Scenario 2 Proposed Annual Cap have been estimated based on the hypothetical assumptions that, which may or may not occur, there are no settlements, repayments and/or reductions in the principal amount of the Total Indebtedness Amounts during the Renewal Period as may arise from the Ongoing Discussions; and the full amount of which may not necessarily be crystalised if progressive repayments could be made by the Borrowers once the outcomes of the Ongoing Discussions can be concluded during the Renewal Period.

As at the date of this announcement, having considered (i) the financial positions of both Huili Caitong and Xiushuihe Mining (including the indicative market values of their operating assets) as at 31 December 2024; (ii) the adequacy of the transaction contemplated under the 2025 Master Guarantee Agreement and the 2025 Counter Indemnity; and (iii) other currently available information to the Group, the Group does not expect that the above matters 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. The Company will continue to assess the respective financial effects during the annual audit for the financial year ended 31 December 2024.

INTERNAL CONTROL MEASURES

To safeguard the interests of the Independent Shareholders and to ensure that the proposed Revised Guarantee Annual Caps will not be exceeded, the Company has formulated and will continue to follow internal control measures relating to the transactions contemplated under the 2025 Master Guarantee Agreement and the 2025 Counter Indemnity, which include the following:

- (i) the Borrowers will submit all the related loan details to the Company on a monthly basis and the Borrowers will have to follow up on the Status Updates; and the compliance department of the Company will report to the management of the Company in the event that there is any deviation from the basis as set out in the 2025 Master Guarantee Agreement, the management will then report to the Board;

- (ii) the Pledged Assets will be stored at a designated location agreed by the Company, and shall not be replaced by Chengyu Vanadium with other Pledged Assets of equal value as substitute without the Company's prior consent;
- (iii) the Company will engage an independent professional valuer to perform physical sighting and to ascertain the market value of the Pledged Assets under the 2025 Counter Indemnity at end of each financial year and to ensure that such market value shall not be less than 1.25 times of the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap. In addition, the Company will perform physical sighting on the Pledged Assets, and procure the independent professional valuer to update the valuation of the Pledged Assets on monthly basis. In the event the value of the Pledged Assets is found to have fallen below 1.25 times of the maximum guaranteed amounts estimated under the Scenario 2 Proposed Annual Cap, the Company will require Chengyu Vanadium to pledge further assets to the Company to meet the aforesaid requisite level of value;
- (iv) the independent non-executive Directors have reviewed and will continue to review the connected transaction agreements to ensure that such agreements, if applicable, are entered on normal commercial terms, fair and reasonable, and carried out pursuant to the terms thereof; and
- (v) the Company's external auditor has reviewed the CVT Guarantees on annual basis since 2019 and will continue to conduct an annual review of the transactions entered into under the 2025 Master Guarantee Agreement and to ensure that, among other, such connected transactions are entered into in accordance with the terms set out in the 2025 Master Guarantee Agreement.

In view of the above, the Directors (other than the IBC whose views will be contained in the circular after considering the advice from the IFA) consider that the terms of the 2025 Master Guarantee Agreement, are on normal commercial terms after arm's length negotiations between the parties and are normal commercial terms and are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

In continuously conducting the transaction under the CVT Guarantees after 31 December 2024, the Company shall continue to comply at all times with the applicable provisions under Rules 14A.34, 14A.51 to 14A.59 of the Listing Rules.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in mining and ore processing, sale of self-produced high-grade iron concentrates, trading of steels, mining facilities management and management of strategic investments.

Chengyu Vanadium

Chengyu Vanadium is a company established in the PRC which is effectively (i) 67.5% owned by the Relevant CVT Substantial Shareholders; and (ii) 32.5% owned by 14 individuals and one union. As at the date of this announcement, none of such 14 individuals and/or union effectively owns more than 30% of the equity interests in Chengyu Vanadium, and they are all independent third parties. As the Relevant CVT Substantial Shareholders collectively hold more than 30% equity interests in Chengyu Vanadium, Chengyu Vanadium is a connected person for the purposes of the transactions contemplated under the 2025 Master Guarantee Agreement. Chengyu Vanadium is principally engaged in the manufacturing, processing and sales of structural steels and other self-produced products such as vanadium pentoxide.

The Borrowers

Huili Caitong

Huili Caitong is a company established in the PRC with limited liability which is principally engaged in iron ore mining, iron ore beneficiation and sale of self-produced products. As at the date of this announcement, Huili Caitong is wholly owned by Chengyu Vanadium, which is effectively (i) 67.5% owned by the Relevant CVT Substantial Shareholders; and (ii) 32.5% owned by 14 individuals and one union. As at the date of this announcement, none of such 14 individuals and/or union effectively owns more than 30% of the equity interests in Chengyu Vanadium and thus, they are all independent third parties. Huili Caitong was formerly an indirect wholly-owned subsidiary of the Company before the completion of the Disposal on 30 July 2019.

Xiushuihe Mining

Xiushuihe Mining is a company established in the PRC with limited liability which is principally engaged in iron ore mining, iron ore beneficiation and sale of self-produced products. As at the date of this announcement, Xiushuihe Mining is 95% and 5% owned by Huili Caitong and Xichang Vanadium and Titanium Products Co., Ltd* (西昌钒钛製品有限公司), respectively; and the latter is ultimately controlled by the Relevant CVT Substantial Shareholders. It was formerly an indirect subsidiary of the Company which was held as to 95.0% by Huili Caitong (a then indirect wholly-owned subsidiary of the Company before the completion of the Disposal on 30 July 2019).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Financial Institutions and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the maximum amount of the CVT Guarantees under the 2025 Master Guarantee Agreement exceeds 25%, the 2025 Master Guarantee Agreement and the transactions contemplated thereunder (including but not limited to the receipt of guarantee management income) constitute a major transaction, which is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. (Note: the transactions contemplated herein is not an acquisition by the Company).

In addition to the above, as at the date of this announcement, the Relevant CVT Substantial Shareholders collectively hold more than 30% equity interests in Chengyu Vanadium. Xiushuihe Mining is owned as to 95% by Huili Caitong, which in turn is directly wholly owned by Chengyu Vanadium. Therefore, each of Chengyu Vanadium and the Borrowers is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 2025 Master Guarantee Agreement also constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The IBC (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder. The IFA has been appointed as the independent financial adviser to advise the IBC and the Independent Shareholders in this regard.

2025 EGM

An 2025 EGM will be convened and held by the Company for the Independent Shareholders to consider and, if thought fit, approve, among other things, the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder. As the Borrowers are ultimately controlled by the Relevant CVT Substantial Shareholders, the Relevant CVT Substantial Shareholders, Trisonic International (through which the Relevant CVT Substantial Shareholders held the Shares), and their respective close associates are therefore required to abstain from voting on the resolutions proposed to be passed at the 2025 EGM for approving the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder.

A circular containing, among other things, (1) further details of the 2025 Master Guarantee Agreement; (2) the letter of recommendation from the IBC to the Independent Shareholders; (3) the letter of advice from the IFA to the IBC and the Independent Shareholders; and (4) the notice convening the 2025 EGM and the proxy form, is expected to be dispatched to the Shareholders on or before 3 March 2025.

APPROVAL BY THE BOARD

The Directors (other than the independent non-executive Directors whose opinion will be included in the circular after having been advised by the IFA) have considered and approved the proposal in respect of the entering into of the 2025 Master Guarantee Agreement at a Board meeting held by the Company.

None of the Directors has a material interest in the transactions contemplated under the 2025 Master Guarantee Agreement, and therefore no Director is required to abstain from voting on the resolutions regarding such transactions at the board meeting.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“2019 Counter Indemnity”	a moveable asset pledge contract entered into between Chengyu Vanadium and the Company on 30 July 2019 for the provision of counter-indemnity by Chengyu Vanadium 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 Chengyu Vanadium’s inventories (including but not limited to structural steels, coals etc.) as security for such counter-indemnity
“2022 Counter Indemnity”	the counter-indemnity agreement entered into between Chengyu Vanadium and the Company on 16 May 2022 for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company’s contingent liabilities and potential claims covered under the 2022 Master Guarantee Agreement (if any), and the pledge of Chengyu Vanadium’s inventories (comprising structural steels and iron ores or any other assets approved by the Company) as security for such counter-indemnity
“2022 Master Guarantee Agreement”	the existing master guarantee agreement entered into between the Company, the Borrowers and Chengyu Vanadium on 16 May 2022 (after trading hours), under which the Company agreed to continue to provide the CVT Guarantees on certain conditions
“2022 EGM”	the extraordinary general meeting of the Company on 29 June 2022 to approve the 2022 Master Guarantee Agreement (together with the Existing Guarantee Annual Cap(s)) and the transactions contemplated thereunder
“2022 EGM Circular”	the circular of the Company dated 8 June 2022

“2025 Counter Indemnity”	the counter-indemnity agreement entered into between Chengyu Vanadium and the Company on 11 February 2025 for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company’s contingent liabilities and potential claims covered under the 2025 Master Guarantee Agreement (if any), and the pledge of inventories (mainly comprising industrial materials) and any other assets (mainly comprising machinery and equipment) as approved by the Company as security for such counter-indemnity
“2025 EGM”	the extraordinary general meeting of the Company, to be convened to consider and, if thought fit, approve the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder
“2025 Master Guarantee Agreement”	the renewed master guarantee agreement entered into between the Company, the Borrowers and Chengyu Vanadium on 11 February 2025 (after trading hours), pursuant to which the Company agreed to continue to provide the CVT Guarantees on certain conditions
“Board”	the board of directors of the Company
“Borrowers”	Huili Caitong and Xiushuihe Mining
“CCB”	China Construction Bank Corporation, Liangshan Branch* (中國建設銀行股份有限公司涼山分行)
“CCB-Caitong Indebtedness Amount”	the principal indebtedness of RMB276.9 million, interest and applicable charges owed to CCB by Huili Caitong
“Chengyu Vanadium”	Chengyu Vanadium Titano Technology Ltd.* (成渝鈦鈦科技有限公司), 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 is controlled by the Relevant CVT Substantial Shareholders
“Cinda”	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)
“CMB”	China Merchant Bank Co., Ltd, Chengdu Branch* (中國招商銀行股份有限公司成都分公司)

“Company”	China Vanadium Titano-Magnetite Mining Company Limited (中國鈦鐵磁鐵礦業有限公司), a limited liability company incorporated in the Cayman Islands on 28 April 2008, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 00893)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CVT Guarantees”	guarantees given by the Company in favour of the Financial Institutions guaranteeing, inter alia, the indebtedness owing by the Borrowers to the Financial Institutions with a maximum guaranteed amounts of RMB730.0 million, and as at 31 December 2024, RMB690.0 million
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by Sichuan Lingyu of the entire equity interest in Huili Caitong (and its subsidiaries, namely Xiushuihe Mining and Panzhihua Yixingda Industrial Trading Co., Ltd.* (攀枝花易興達工貿有限責任公司)) pursuant to the sale and purchase agreement dated 29 January 2019 entered into among Sichuan Lingyu and Chengyu Vanadium
“Effective Date”	1 January 2025, the effective date of the 2025 Master Guarantee Agreement, being the date from which the agreement is deemed to take effect retrospectively, and subject to the fulfilment of all conditions precedent set out thereunder
“Existing Guarantee Annual Cap(s)”	the proposed annual caps for the three years ending 31 December 2024 as set out in the circular of the Company dated 8 June 2022, which were subsequently approved by the Independent Shareholders at the 2022 EGM
“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 Borrowers

“Group”	the Company and its subsidiaries
“Huili Caitong”	Huili Caitong Iron and Titanium Co., Ltd.* (會理市財通鐵鈦有限責任公司), a limited liability company established in the PRC on 7 July 1998, which is a wholly-owned subsidiary of Chengyu Vanadium
“IBC”	an independent board committee of the Board, comprising all the independent non-executive Directors of the Company, namely Mr. Yu Haizong, Mr. Wu Wen, Mr. Liu Yi and Mdm. Tang Guoqiong, to advise the Independent Shareholders with respect to the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder
“ICBC”	Industrial and Commercial Bank of China Limited, Liangshan Branch* (中國工商銀行股份有限公司涼山分行)
“IFA”	Goldlink Capital (Corporate Finance) Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the IBC and the Independent Shareholders with regard to the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders, other than Trisonic International, the Relevant CVT Substantial Shareholders and their respective close associates which are required to abstain from voting at the 2025 EGM pursuant to the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Relevant CVT Substantial Shareholders”	Mr. Wang Jin (王勁), Mr. Shi Yinjun (石銀君), Mr. Zhang Yuangui (張遠貴) and Mr. Li Hesheng (李和勝), parties acting in concert and some of the substantial Shareholders through their ownership in Trisonic International

“Revised Guarantee Annual Cap(s)”	the proposed revised annual caps in respect of the maximum guaranteed amounts to be provided by the Company to the Financial Institutions under the 2025 Master Guarantee Agreement for each of the three years ending 31 December 2027
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Indebtedness Amounts” or “Indebtedness Claims”	Collectively, the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, the ICBC-Xiushuihe Indebtedness Amount, and the Cinda-Caitong Indebtedness Amount
“Trisonic International”	Trisonic International Limited (合創國際有限公司), a company incorporated in Hong Kong on 19 July 2006 and a controlling shareholder of the Company
“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, which is owned as to 95% by Huili Caitong and 5% by Xichang Vanadium and Titanium Products Co., Ltd* (西昌釩鈦製品有限公司)
“%”	per cent

* For identification purpose only

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

Hong Kong, 11 February 2025

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, Mr. Wu Wen and Mdm. Tang Guoqiong as independent non-executive Directors.

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