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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO MAJOR TRANSACTION AND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO
RENEWAL OF MASTER GUARANTEE AGREEMENT**

Reference is made to the announcement of the Company dated 11 February 2025 (the “**February 2025 Announcement**”) and the delay in despatch of circular announcement dated 3 March 2025 relating to, inter alia, the renewal of the 2022 Master Guarantee Agreement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the February 2025 Announcement.

The Company would like to provide additional information and update that:

**DELAY IN ENTERING INTO WRITTEN AGREEMENT PURSUANT TO
RULE 14A.34 OF THE LISTING RULES**

Following the completion of disposal of subsidiaries of the Company in 2019, the provision of CVT Guarantees became a continuing connected transaction, and the Company has been closely monitoring such transaction since then. As disclosed in the 2022 Circular, the Company considered that the renewal of the 2022 Master Guarantee Agreement was for good corporate governance practice given the fact that the CVT Guarantees are continuing in nature and will only be released upon full and final settlements are made. The CVT Guarantees were duly approved and renewed in 2022.

Given that the 2022 Master Guarantee Agreement expired on 31 December 2024, the Company has been using its best endeavor to ensure the entry into the 2025 Master Guarantee Agreement, which was meant to renew the 2022 Master Guarantee Agreement, pursuant to Chapter 14A of the Listing Rules. Prior to announcing the entry into the 2025 Master Guarantee Agreement on 11 February 2025, the Company has, since March 2024, made several insider information announcements updating the status of the matters in a conscientious manner. All the relevant updates pertaining to the CVT Guarantees had been published by the Company on 28 March 2024, 19 June 2024, 19 August 2024, 21 August 2024, 15 November 2024, 23 December 2024 and 11 February 2025 (the “**Announcements**”).

As disclosed in the Announcements, the Company had provided details in relation to the background of the continuity of the CVT Guarantees, the Status Updates, the Ongoing Discussions, the countermeasures and implications, as stemmed from the legal actions taken by the Financial Institutions against the Huili Caitong Parties in relation to the Indebtedness Claims under the CVT Guarantees. In response to the Status Updates and the Ongoing Discussions, as disclosed in the Announcements, the Company has been closely monitoring the situation and communicating with the Huili Caitong Parties in a timely manner, which included assessing their financial positions, obtaining their written confirmations that they would continue to (i) fulfill their obligations under the CVT Guarantees; and (ii) facilitate the creation of additional charge of related assets in favor of the Company. Such written confirmation has further vindicated that the Company has been and will continue to be indemnified against any loss and costs that may be suffered from enforcement by any Financial Institution in relation to the CVT Guarantees, as provided for under the 2022 Counter Indemnity and the Company’s entitlement of which will not be affected by the expiry of the existing Guarantee Annual Caps on 31 December 2024.

Having considered the above, the Company had, on 6 December 2024, consulted with The Stock Exchange of Hong Kong Limited, among others, having (i) presented an overview of the Status Updates and (ii) considered the Ongoing Discussions. Following which, the Company was given to understand that it should renew the 2022 Master Guarantee Agreement by seeking approval of the Independent Shareholders in the 2025 EGM, as in consistent with the practice of the 2022 EGM.

Subsequently, the Company commenced the process in relation to the preparation for the renewal of the 2022 Master Guarantee Agreement, including (i) proactively negotiating with the Huili Caitong Parties for the revised terms of the 2025 Master Guarantee Agreement given the Status Updates and the uncertainty of the Ongoing Discussions; and (ii) preparing the circular containing, among others, the revised terms of the 2025 Master Guarantee Agreement and further details of the transactions (including the Revised Guarantee Annual Caps). On 23 December 2024, the Company announced that the 2022 Master Guarantee Agreement would expire on 31 December 2024 and thus the Company would renew the 2022 Master Guarantee Agreement in the 2025 EGM, as in consistent with the practice of the 2022 EGM given that (i) 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; and (ii) notwithstanding that there is uncertainty about the outcomes of the Ongoing Discussions under the Status Updates. However, the Company also disclosed that it is in the process of discussing and finalising the revised terms for the 2025 Master Guarantee Agreement with the Huli Caitong Parties, including the revised annual caps and annual guarantee fees for the three financial years ending 31 December 2027, having considered the Status Updates and Ongoing Discussions. Given (i) the complexity of the proposed transactions (including obtaining necessary legal advice and confirmation); (ii) the significant amount of time and effort for the parties to negotiate and nail down the commercial terms of the 2025 Master Guarantee Agreement due to (a) the higher maximum guaranteed amounts under the Scenario 2 Proposed Annual Cap; (b) the higher implied value for the Pledged Assets; and (c) the higher guarantees fees for the Renewal Period; and (iii) intervening public holidays in December 2024 and January 2025, the 2025 Master Guarantee Agreement was not signed until 11 February 2025 for the commercial reasons as explained above. As a result, the Company acknowledges that the 2025 Master Guarantee Agreement was not entered into on or before 31 December 2024 pursuant to Rule 14A.34 of the Listing Rules in relation to the continuing connected transactions. Notwithstanding the delay in the entry into the 2025 Master Guarantee Agreement, the Company had, once the material change to its terms had been agreed upon on 11 February 2025, announced such connected transaction pursuant to Rule 14A.35 of the Listing Rules in order to re-comply with the announcement and shareholders' approval requirements pursuant to Rule 14A.54(2) of the Listing Rules.

REMEDIAL MEASURES TO PREVENT SIMILAR DELAY IN THE FUTURE

To prevent similar delay which could result in non-compliance in the future, the Company has, without further delay, taken the following remedial measures:

- The Company has formed a dedicated working group, consist of key management members who are responsible for compliance, finance and internal control matters of the Group led by Mr. Wang Hu, the Head of Legal and Compliance, and and overseen by Mr. Hao Xiemin, the Chief Executive Officer (the “CEO”). Both the CEO and Head of Legal and Compliance will report to the Board. This dedicated working group will continue to communicate and liaise with the local legal counsel and the Huili Caitong Parties to ensure that any significant changes in commercial terms which may require amendments and/or re-entry into any form of written agreement (as the case may be) under the prevailing circumstances, should be put forward for discussions and consideration in a timely manner, given the complexity of the transactions, and in any event no later than six (6) months prior to expiry of the term of 2025 Master Guarantee Agreement to be entered into;

- The Board has further emphasised in an internal memorandum circulated to the working group and the relevant corporate departments of the Group that it should continue to assess the relevance and adequacy of the 2025 Master Guarantee Agreement given the Status Updates and the uncertainty of the Ongoing Discussions, and depending on the status of the Ongoing Discussions, should ensure that the necessary written agreements in relation to the continuing connected transactions be updated and executed in a timely manner according to the applicable Listing Rules in order to reflect the status of the Ongoing Discussions, being the critical factor for the entry into the 2025 Master Guarantee Agreement. Specifically, if required so, to re-enter into such written agreements in accordance with the requirements of the Listing Rules, including without limitation, re-complying with the announcement and shareholders' approval requirements (as the case may be) before the expiry of the renewing annual caps for such continuing connected transactions or upon material change of the term of such continuing connected transaction; and
- The working group has been reminded, by the aforesaid internal memorandum and the "Internal Control Manual for Connected Guarantee" (關聯擔保內控流程) as updated by the Company on 21 February 2025 has been adopted to ensure that the evaluation and negotiations for the renewal of the 2025 Master Guarantee Agreement, if it remains applicable and relevant at time of such renewal, should commence at least six (6) months prior to its expiry date for the purpose of compliance with rule 14A.34 of the Listing Rules.
- The aforesaid internal control manual contains the following specific timeframe and actions:

Timeframe before expiry	Key milestone
around 6 months	Initiate renewal process and engage legal counsel, independent valuer, independent financial advisor, auditor, etc (the " Professionals "). to assess the necessity and relevance of renewing the 2025 Master Guarantee Agreement and the underlying agreements, which should outline the principal terms and conditions for the renewal, if applicable.
around 2 to 5 months	On conclusion of the principal terms and conditions for the renewal, appoint the Professionals to prepare the required agreements, resolutions, announcements, and circulars in accordance with regulatory requirements
around 2 to 3 months	Present the aforesaid draft agreement and documents (including announcement draft) to the Board for review and discussion, including evaluation of potential risks and related commercial factors
around 1 month	Publish announcements upon entering into the agreements for renewal; distribute circular and notice of the EGM to shareholders for EGM to be convened

The Company has implemented the above remedial measures. The Board considers that the internal control system maintained by the Company, as strengthened by the remedial measures are adequate and effective for the compliance with the requirements under Chapter 14A.34 of the Listing Rules, particularly for entry into necessary written agreements as required under the Listing Rules.

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

Hong Kong, 4 March 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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