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 2023

FINANCIAL HIGHLIGHTS

For the Reporting Period:

- the Group's revenue was approximately RMB785.0 million for FY2023 (FY2022: RMB725.9 million);
- the Group recorded a Net Profit of approximately RMB9.7 million for FY2023 (FY2022: RMB1.3 million);
- the basic and diluted profit per Share attributable to ordinary equity holders of the Company was approximately RMB0.43 cents for FY2023 (FY2022: RMB0.06 cents); and
- the Board does not recommend payment of final dividend for FY2023 (FY2022: Nil).

The Board hereby announces the audited consolidated results of the Group for FY2023 together with the comparative figures for FY2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
REVENUE	*3, 4*	**784,951**	725,869
Cost of sales		**(748,417)**	(700,591)
Gross profit		**36,534**	25,278
Other income and gain	*4*	**17,244**	8,371
Selling and distribution expenses		**(2,254)**	(904)
Administrative expenses		**(21,783)**	(21,592)
Other expenses		**(9,980)**	(4,198)
Reversal of impairment losses on trade receivables	*15*	**2,674**	4,530
Impairment losses on other receivables	*12(b)*	**–**	(2)
Finance costs	*5*	**(8,323)**	(5,965)
PROFIT BEFORE TAX	*6*	**14,112**	5,518
Income tax expenses	*7*	**(5,032)**	(4,480)
PROFIT FOR THE YEAR		**9,080**	1,038
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**16**	31
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**9,096**	1,069

	Note	2023 RMB'000	2022 RMB'000
Profit/(loss) attributable to:			
Owners of the Company		**9,697**	1,304
Non-controlling interests		**(617)**	(266)
		9,080	1,038
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**9,713**	1,335
Non-controlling interests		**(617)**	(266)
		9,096	1,069
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted *(cents)*	*23*	**RMB0.43**	RMB0.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	**209,696**	194,168
Right-of-use assets	10	**23,008**	23,095
Intangible assets	9	**822,135**	734,401
Interests in joint ventures	11	**–**	–
Prepayments, other receivables and other assets	12	**423**	436
Deferred tax assets	13	**7,219**	9,350
Total non-current assets		**1,062,481**	961,450
CURRENT ASSETS			
Inventories	14	**18,695**	13,626
Trade and bills receivables	15	**119,856**	207,275
Prepayments, other receivables and other assets	12	**95,893**	5,786
Due from related parties		**2,346**	1,070
Pledged deposits	16	**25**	26
Cash and cash equivalents	16	**8,038**	9,357
Total current assets		**244,853**	237,140
CURRENT LIABILITIES			
Trade payables	17	**71,029**	35,057
Contract liabilities	18	**8,883**	8,216
Other payables and accruals	19	**76,706**	77,637
Interest-bearing bank and other borrowings	20	**69,600**	91,108
Due to related parties		**2,603**	5,905
Lease liabilities	10	**2,124**	4,645
Tax payable		**10,687**	9,363
Total current liabilities		**241,632**	231,931
NET CURRENT ASSETS		**3,221**	5,209
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,065,702**	966,659

	Notes	**2023** **RMB'000**	2022 RMB'000
NON-CURRENT LIABILITIES			
Due to related parties		**2,286**	–
Contract liabilities	*18*	**20,000**	–
Lease liabilities	*10*	**21,089**	20,093
Interest-bearing bank and other borrowings	*20*	**12,994**	–
Provision for rehabilitation	*21*	**15,303**	14,660
Other payables	*19*	**53,728**	700
Total non-current liabilities		**125,400**	35,453
Net assets		**940,302**	931,206
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*22*	**197,889**	197,889
Reserves		**448,399**	438,686
		646,288	636,575
Non-controlling interests		**294,014**	294,631
Total equity		**940,302**	931,206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 5/F, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong.

During the year ended 31 December 2023, 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (which include all IFRS Accounting Standards, IAS Standards and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. They have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2023. 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 IFRS Accounting Standards for the first time for the current year's consolidated financial statements.

Amendments to IAS 1	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the revised IFRS Accounting Standards that are applicable to the Group are described below:

Amendments to IAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

Amendments to IAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[(1)]
Amendments to IAS 1	*Non-current Liabilities with Covenants*[(1)]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[(1)]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[(1)]
Amendments to IAS 21	*Lack of Exchangeability*[(2)]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[(3)]

(1) Effective for annual periods beginning on or after 1 January 2024
(2) Effective for annual periods beginning on or after 1 January 2025
(3) The effective date to be determined

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

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

Amendments to IAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Amendments to IAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Standards are amended such that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and a partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has four (2022: four) reportable 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 reporting 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. 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 and non-lease-related finance costs are excluded from such measurement.

Segment assets exclude interest in joint ventures, 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 2023

	High-Fe mining operation *RMB'000*	**Trading** *RMB'000*	**Facility management** *RMB'000*	**Corporate and others** *RMB'000*	**Total** *RMB'000*
Segment revenue					
Reconciliation:					
Sales to external customers	**115,280**	**650,175**	**19,496**	**–**	**784,951**
Intersegment sales	**–**	**–**	**930**	**–**	**930**
	115,280	**650,175**	**20,426**	**–**	**785,881**
Reconciliation:					
Elimination of intersegment sales					**(930)**
Revenue					**784,951**
Segment results	**13,677**	**7,060**	**1,723**	**(9,113)**	**13,347**
Reconciliation:					
Other income and gain					**17,244**
Other expenses					**(9,980)**
Finance costs (other than interest on lease liabilities and provision for rehabilitation)					**(6,499)**
Profit before tax					**14,112**
Segment assets	**510,643**	**198,148**	**8,200**	**753,290**	**1,470,281**
Reconciliation:					
Elimination of intersegment receivables					**(178,229)**
Deferred tax assets					**7,219**
Cash and cash equivalents					**8,038**
Pledged deposits					**25**
Total assets					**1,307,334**

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment liabilities	**222,818**	**154,226**	**2,061**	**72,875**	**451,980**
Reconciliation:					
Elimination of intersegment payables					**(178,229)**
Interest-bearing bank and other borrowings					**82,594**
Tax payable					**10,687**
Total liabilities					**367,032**
Other segment information					
Reversal of impairment losses on trade receivables	**–**	**(2,674)**	**–**	**–**	**(2,674)**
Depreciation and amortisation	**16,162**	**1**	**–**	**68**	**16,231**
Capital expenditure*	**112,790**	**4**	**3**	**2,769**	**115,566**
Write-off of property, plant and equipment	**283**	**–**	**20**	**11**	**314**
Write-off of other receivables	**–**	**–**	**–**	**1,150**	**1,150**

* 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 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					725,869
Segment results	10,428	4,819	1,036	(10,545)	5,738
Reconciliation:					
Other income and gain					8,371
Other expenses					(4,198)
Finance costs (other than interest on lease liabilities and provision for rehabilitation)					(4,393)
Profit before tax					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
Reconciliation:					
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	(4,530)	–	–	–	(4,530)
Impairment losses on other receivables	2	–	–	–	2
Depreciation and amortisation	10,266	–	–	293	10,559
Capital expenditure*	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.

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 reporting period. 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.

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**784,951**	725,869

(b) Non-current assets

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**1,053,975**	951,485
Singapore	**864**	179
	1,054,839	951,664

The non-current asset information 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 major customers, which amounted to 10% or more of the total revenue, is set out below:

	2023	2022
	RMB'000	*RMB'000*
Trading		
Customer A	**–**	644,326
Customer B	**404,215**	–
Customer C	**245,960**	–
High-Fe Mining Operations		
Customer D	**81,133**	–

4. REVENUE, OTHER INCOME AND GAIN

An analysis of revenue is as follows:

	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Revenue from contracts with customers				
Sale of industrial products:				
High-grade iron concentrates	**115,280**	**14.7**	73,494	10.1
Steels	**650,175**	**82.8**	644,326	88.8
Rendering of facility management services	**19,496**	**2.5**	8,049	1.1
	784,951	**100.0**	725,869	100.0

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2023

Segments	**High-Fe mining operation** ***RMB'000***	**Trading** ***RMB'000***	**Facility management** ***RMB'000***	**Total** ***RMB'000***
Types of goods or services				
High-grade iron concentrates	**115,280**	**–**	**–**	**115,280**
Trading of steels	**–**	**650,175**	**–**	**650,175**
Facility management services	**–**	**–**	**19,496**	**19,496**
	115,280	**650,175**	**19,496**	**784,951**
Geographical market				
Mainland China	**115,280**	**650,175**	**19,496**	**784,951**
Timing of revenue recognition				
Goods transferred at a point in time	**115,280**	**650,175**	**–**	**765,455**
Services transferred over time	**–**	**–**	**19,496**	**19,496**
	115,280	**650,175**	**19,496**	**784,951**

For the year ended 31 December 2022

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *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 2023

Segments	**High-Fe mining operation** ***RMB'000***	**Trading** ***RMB'000***	**Facility management** ***RMB'000***	**Total** ***RMB'000***
Revenue from contracts with customers				
External customers	**115,280**	**650,175**	**19,496**	**784,951**
Intersegment sales	**–**	**–**	**930**	**930**
	115,280	**650,175**	**20,426**	**785,881**
Intersegment adjustments and eliminations	**–**	**–**	**(930)**	**(930)**
Total revenue from contracts with external customers	**115,280**	**650,175**	**19,496**	**784,951**

For the year ended 31 December 2022

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *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

(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 2022 and 31 December 2023.

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 and subject to renewable on annual basis, and are billed based on the time incurred. There were no remaining performance obligations unsatisfied or partially satisfied as at 31 December 2023.

An analysis of other income and gain is as follows:

	Note	**2023** ***RMB'000***	2022 *RMB'000*
Other income			
Bank interest income		**10**	11
Government grants	*(a)*	**264**	445
Sale of raw materials		**7,173**	2,881
Guarantee fee		**8,625**	4,453
Miscellaneous		**1,172**	479
		17,244	8,269
Gain			
Gain on disposal of items of property, plant and equipment		**–**	102
Total other income and gain		**17,244**	8,371

Note:

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

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**4,314**	4,393
Interest on mining right payable *(note 19)*	**2,185**	–
Interest on lease liabilities *(note 10(c))*	**1,071**	662
Unwinding of discount on provision *(note 21)*	**753**	910
	8,323	5,965

6. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging:

		2023	2022
	Notes	***RMB'000***	*RMB'000*
Cost of inventories sold		**732,694**	694,355
Cost of services provided		**15,723**	6,236
Cost of sales		**748,417**	700,591
Employee benefit expenses (including Directors' and chief executive's remunerations)			
Wages and salaries		**25,928**	17,041
Welfare and other benefits		**1,929**	1,623
Defined contribution fund			
– Pension scheme contributions		**5,951**	2,877
– Housing fund		**648**	420
Total employee benefit expenses		**34,456**	21,961
Depreciation of property, plant and equipment	*8*	**9,948**	8,335
Depreciation of right-of-use assets	*10(a)*	**3,527**	1,367
Amortisation of intangible assets	*9*	**2,756**	857
Depreciation and amortisation expenses		**16,231**	10,559
Auditor's remuneration			
– Audit services		**1,400**	1,530
– Non-audit services		**690**	850
Expenses relating to short-term leases (included in administrative expenses)	*10(c)*	**140**	263
Write-off of other receivables		**1,150**	–
Write-off of property, plant and equipment		**314**	–

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 years ended 31 December 2023 and 2022.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the years ended 31 December 2023 and 2022

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 is subject to withholding tax rate of 10% over the guarantee fee of RMB8,625,000 (2022: RMB4,453,000) during the year ended 31 December 2023 *(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. In general, all these subsidiaries are subject to the PRC CIT rate of 25% during the year ended 31 December 2023, except for subsidiaries in the PRC which are 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:

	2023 ***RMB'000***	2022 *RMB'000*
Current tax charge for the year		
– Mainland China	**2,834**	1,635
– Singapore	**5**	6
– Under (over) provision in prior year	**62**	(19)
Deferred tax *(note 13)*	**2,131**	2,858
Total tax charge for the year	**5,032**	4,480

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	**2023** **RMB'000**	2022 *RMB'000*
Profit before tax		**14,112**	5,518
Tax at the respective statutory tax rates:			
– Mainland China subsidiaries, at 25%		**3,091**	2,078
– the Company and its Hong Kong subsidiaries, at 16.5%		**275**	(476)
– Singapore subsidiary, at 17%		**16**	15
Lower tax rates enacted by local authorities		**(589)**	(337)
Expenses not deductible for tax	*(a)*	**704**	1,521
Tax effect of tax losses not recognised		**1,473**	389
Reversal of deferred tax assets recognised in the prior years		**–**	1,309
Adjustments of previous periods reflected in current tax		**62**	(19)
Tax charge at the Group's effective tax rate		**5,032**	4,480

Note:

(a) Expenses not deductible for tax for the years ended 31 December 2023 and 2022 mainly consist of administrative expenses incurred by offshore companies. These expenses are not expected to be deductible for tax.

8. 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 2023							
Cost:							
At 1 January 2023	**44,234**	**35,451**	**676**	**1,546**	**142,332**	**84,076**	**308,315**
Additions	**1**	**302**	**49**	**1,319**	**714**	**23,405**	**25,790**
Transferred from CIP	**1,072**	**–**	**–**	**–**	**63,151**	**(64,223)**	**–**
Write-off	**(1,866)**	**(673)**	**(150)**	**(205)**	**(772)**	**–**	**(3,666)**
At 31 December 2023	**43,441**	**35,080**	**575**	**2,660**	**205,425**	**43,258**	**330,439**
Accumulated depreciation and impairment:							
At 1 January 2023	**25,458**	**20,207**	**495**	**1,168**	**65,331**	**1,488**	**114,147**
Provided for the year *(note 6)*	**2,099**	**1,442**	**28**	**151**	**6,228**	**–**	**9,948**
Write-off	**(1,773)**	**(519)**	**(142)**	**(185)**	**(733)**	**–**	**(3,352)**
At 31 December 2023	**25,784**	**21,130**	**381**	**1,134**	**70,826**	**1,488**	**120,743**
Net carrying amount:							
At 1 January 2023	**18,776**	**15,244**	**181**	**378**	**77,001**	**82,588**	**194,168**
At 31 December 2023	**17,657**	**13,950**	**194**	**1,526**	**134,599**	**41,770**	**209,696**

	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 2022							
Cost:							
At 1 January 2022	41,412	33,103	634	1,546	139,886	56,177	272,758
Additions	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

The Group measured all non-financial assets (including the right-of-use assets and intangible assets) at the lower of its carrying amount and recoverable amount. In accordance with the Group's accounting policies, each asset or cash-generating unit ("CGU") is evaluated annually at 31 December or biannually 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 each 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 value in use ("VIU"). Management has performed impairment assessment on all of the carrying amounts of the Group's property, plant and equipment, intangible assets, and right-of-use assets. For the purpose of impairment assessment, the High-Fe Mining CGU (comprising the property, plant and equipment, the intangible assets, 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 amounts 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 VIUs calculation use cash flow projections based on a financial budget approved by the management of the Group covering the estimated life of mine, and pre-tax discount rates ranging between 13.75% and 16.67% (2022: between 13.26% and 13.75%) depending on the nature of each CGU.

In determining some of the key assumptions, Management considered external sources of information where appropriate. Management considers the estimates applied in this impairment assessment are reasonable. However, such estimates are subject to significant uncertainties and judgements.

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 CGUs and Shigou Gypsum Mine CGUs, 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.

Capital requirements – The determination of estimated capital requirements is based on the expertise of both internal and external technical specialists, after considering, among others, the overall mine design and planning, mining and processing technologies, operational efficiency etc, as applicable.

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 2023, respectively, and no provision for impairment was provided during the year ended 31 December 2023 (2022: Nil).

9. INTANGIBLE ASSETS

	Mining rights *RMB'000*	**Exploration rights and assets** *RMB'000*	**Software** *RMB'000*	**Total** *RMB'000*
31 December 2023				
Cost:				
At 1 January 2023	**800,295**	**65,991**	**237**	**866,523**
Additions	**90,490**	**–**	**–**	**90,490**
Transfer *(note 19)*	**65,991**	**(65,991)**	**–**	**–**
At 31 December 2023	**956,776**	**–**	**237**	**957,013**
Accumulated amortisation and impairment:				
At 1 January 2023	**132,110**	**–**	**12**	**132,122**
Amortisation provided during the year *(note 6)*	**2,732**	**–**	**24**	**2,756**
At 31 December 2023	**134,842**	**–**	**36**	**134,878**
Net carrying amount:				
At 1 January 2023	**668,185**	**65,991**	**225**	**734,401**
At 31 December 2023	**821,934**	**–**	**201**	**822,135**

	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

As at 31 December 2023, the mining rights of Maoling-Yanglongshan Mine with a net carrying amount of RMB172,226,000 (2022: RMB18,477,000) were pledged to secure the Group's bank loans *(note 20(a))*.

10. 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 2023	**8**	**23,087**	**23,095**
Additions	**915**	**2,518**	**3,433**
Exchange realignment	**7**	**–**	**7**
Depreciation charge *(note 6)*	**(66)**	**(3,461)**	**(3,527)**
As at 31 December 2023	**864**	**22,144**	**23,008**

	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

(b) Lease liabilities

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

	2023	2022
	RMB'000	*RMB'000*
Carrying amount at 1 January	**24,738**	2,705
New lease	**3,433**	23,405
Accretion of interest recognised during the year *(note 5)*	**1,071**	662
Payments	**(6,036)**	(2,034)
Exchange realignment	**7**	–
Carrying amount at 31 December	**23,213**	24,738
Analysed into:		
Current portion	**2,124**	4,645
Non-current portion	**21,089**	20,093

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

	2023	2022
	RMB'000	*RMB'000*
Interest on lease liabilities *(note 5)*	**1,071**	662
Depreciation charge of right-of-use assets *(note 10(a))*	**3,527**	1,367
Expense relating to short-term leases (included in administrative expenses) *(note 6)*	**140**	263
Total amount recognised in profit or loss	**4,738**	2,292

11. INTERESTS IN JOINT VENTURES

	2023
	RMB'000
Share of net assets	–

As at 31 December 2023, the Group had interests in the following joint ventures:

Name of joint ventures	Place of incorporation/ registration and business	Registered share capital	Percentage of equity interests attributable to the Company	Principal activities
Sichuan Shengjiawei Property Services Co. Ltd.* ("**Sichuan Shengjiawei**") 四川省盛佳威物業服務有限公司	PRC	RMB5,000,000	50% *(note (a))*	Facility management services
Sichuan Yufengwei Property Services Co. Ltd.* ("**Sichuan Yufengwei**") 四川省宇豐威物業服務有限公司	PRC	RMB5,000,000	50% *(note (b))*	Facility management services

* *English name is for identification purpose only.*

Notes:

(a) On 7 December 2023, an indirectly wholly-owned subsidiary of the Company, Sichuan Lingwei has entered into a capital contribution agreement with an independent third party (the "JV Partner 1") to incorporate a joint venture company, namely Sichuan Shengjiawei, with nil identifiable assets, pursuant to which the Group and the independent third party held as to 50% and 50%, respectively. Pursuant to the capital contribution agreement, each of Sichuan Lingwei and the JV Partner 1 is entitled to appoint 2 out of 4 board members of Sichuan Shengjiawei and the key strategic financial and operating decisions in relation to Sichuan Shengjiawei's operation require the unanimous consent of all board members. In the opinion of the Directors, these key decisions are related to the activities that significantly affect the returns of Sichuan Shengjiawei. Accordingly, neither Sichuan Lingwei nor the JV Partner 1 has the ability to control Sichuan Shengjiawei unilaterally and Sichuan Shengjiawei is therefore considered as jointly controlled by Sichuan Lingwei and the JV Partner 1. As the Group has rights to the net assets of the joint arrangement, Sichuan Shengjiawei is accounted for as a joint venture of the Group.

(b) On 7 December 2023, an indirectly wholly-owned subsidiary of the Company, Sichuan Lingwei entered into a capital contribution agreement with an independent third party (the "JV Partner 2") to incorporate a joint venture company, namely Sichuan Yufengwei, with nil identifiable assets, pursuant to which the Group and the independent third party held as to 50% and 50%, respectively. Pursuant to the capital contribution agreement, each of Sichuan Lingwei and the JV Partner 2 is entitled to appoint 2 out of 4 board members of Sichuan Yufengwei and the key strategic financial and operating decisions in relation to Sichuan Yufengwei's operation require the unanimous consent of all board members. In the opinion of the Directors, these key decisions are related to the activities that significantly affect the returns of Sichuan Yufengwei. Accordingly, neither the Sichuan Lingwei nor the JV Partner 2 has the ability to control Sichuan Yufengwei unilaterally and Sichuan Yufengwei is therefore considered as jointly controlled by Sichuan Lingwei and the JV Partner 2. As the Group has rights to the net assets of the joint arrangement, Sichuan Yufengwei is accounted for as a joint venture of the Group.

Relationship with Joint Ventures

Sichuan Shengjiawei and Sichuan Yufengwei are engaged in provision of facility management services in PRC, which could allow the Group to leverage the facilities management expertise of other joint venturers to expand the Group's facility management business.

Fair value of investments

Sichuan Shengjiawei and Sichuan Yufengwei are not listed and there is no quoted market price available for the investments.

Financial information of joint ventures

The table below shows, in aggregate, the carrying amount and the Group's share of results of joint ventures that are not individually material and accounted for using the equity method.

	2023 ***RMB'000***
Carrying amount of interests	–

	Year ended **31 December** **2023** ***RMB'000***
Profit and total comprehensive income for the year	–

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2023 RMB'000	2022 RMB'000
Current portion:			
Prepayments consisting of:			
Purchase of raw materials	*(a)*	**91,650**	237
Utilities		**251**	175
Prepayment for the maintenance of a road		**–**	47
Other prepayments		**296**	1,304
Other receivables consisting of:			
Deductible value-added tax input		**560**	1,117
Other receivables		**3,742**	3,512
		96,499	6,392
Impairment allowance	*(b)*	**(606)**	(606)
		95,893	5,786
Non-current portion:			
Prepayment for the maintenance of a road		**423**	434
Long-term deposit		**–**	2
		423	436
		96,316	6,222

Notes:

(a) The balances represents prepayment for purchase of steels for trading business to a supplier, an independent third party which is a state-owned enterprises in accordance with the terms of contract.

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

	2023 RMB'000	2022 RMB'000
At beginning of year	**606**	604
Impairment loss	**–**	2
At end of year	**606**	606

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.

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 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
At 1 January 2023	**2,109**	**4,415**	**885**	**1,039**	**902**	**9,350**
Deferred tax credited/(charged) to profit or loss during the year *(note 7)*	**–**	**(1,643)**	**(102)**	**(274)**	**(112)**	**(2,131)**
Deferred tax assets at 31 December 2023	**2,109**	**2,772**	**783**	**765**	**790**	**7,219**

For the purpose of presentation in the consolidated financial statements, the following is the analysis of the deferred taxation:

	2023 ***RMB'000***	2022 *RMB'000*
Deferred tax assets	**8,705**	9,350
Deferred tax liabilities	**(1,486)**	–
	7,219	9,350

As at 31 December 2023, the Group has tax losses arising from Mainland China of RMB408,220,000 (2022: RMB411,328,000) that would expire in one to five years and other deductible temporary differences of RMB112,153,000 (2022: RMB144,393,000) 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 2023, 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

	2023	2022
	RMB'000	*RMB'000*
Raw materials	**13,565**	8,152
Spare parts and consumables	**2,765**	3,046
Finished goods	**1,160**	1,593
Costs to fulfil contracts	**1,205**	835
	18,695	13,626

15. TRADE AND BILLS RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**100,290**	207,253
Less: Impairment	**–**	(2,674)
Trade receivables, net of impairment	**100,290**	204,579
Bills receivable	**19,566**	2,696
	119,856	207,275

The Group's trading terms with its customers are mainly on credit. During the year, the Group granted credit terms ranging from one month to four months (2022: one month to four months) to its 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:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**100,290**	200,049
Over 5 years	**–**	4,530
	100,290	204,579

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

	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**2,674**	7,204
Reversal of impairment losses	**(2,674)**	(4,530)
At end of year	**–**	2,674

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 2023

	Current	**Past due**	**Total**
Expected credit loss rate	**–**	**N/A**	**N/A**
Gross carrying amount *(RMB'000)*	**100,290**	**–**	**100,290**
Expected credit losses *(RMB'000)*	**–**	**–**	**–**

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

Transfers of financial assets

The Group endorsed bank acceptance bills to its suppliers for settling trade payables of the same amounts on a full recourse basis. All bank acceptance bills had a maturity term from one to six months at the end of the reporting period.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, the Group endorsed certain bills receivable accepted by banks with high credit quality 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 RMB3,595,000 (2022: RMB5,326,000) (referred to as the "Derecognised Bills"). 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 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.

Transferred financial assets that are not derecognised in their entirety

The other bank acceptance bills with a total carrying amount of RMB19,566,000 endorsed by the Group to its suppliers as at 31 December 2023 (2022: RMB2,496,000) to settle trade payables of the same amounts, were not derecognised. In the opinion of the Directors, the Group retained substantially all risks and rewards of these bank acceptance bills, and accordingly, it continued to recognise the full carrying amounts of these bills receivable and the associated liabilities.

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2023	2022
	RMB'000	*RMB'000*
Cash and bank balances	**8,063**	9,383
Less: pledged time deposits for issue of bills payable	**(25)**	(26)
Cash and cash equivalents	**8,038**	9,357

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

	2023	2022
	RMB'000	*RMB'000*
Cash and bank balances denominated in:		
HKD	**336**	84
USD	**–**	30
SGD	**275**	631

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:

	2023 *RMB'000*	2022 *RMB'000*
Within 180 days	**63,649**	31,302
181 to 365 days	**1,348**	1,046
1 to 2 years	**1,608**	962
2 to 3 years	**2,149**	670
Over 3 years	**2,275**	1,077
	71,029	35,057

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

18. CONTRACT LIABILITIES

	2023 *RMB'000*	2022 *RMB'000*
Advances received from customers		
Sale of self-produced high-grade iron concentrates	**28,883**	8,216

The movement of contract liabilities for the years ended 31 December 2023 and 2022 was mainly due to the increase in 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:

	2023 *RMB'000*	2022 *RMB'000*
At 1 January	**8,216**	6,166
Revenue recognised that was included in the contract liabilities at the beginning of year	**(8,044)**	(6,166)
Increase due to cash received, excluding amounts recognised as revenue during the year	**28,847**	8,216
Decrease due to cash refunded during the year	**(136)**	–
At 31 December	**28,883**	8,216
Analysed into:		
Current portion	**8,883**	8,216
Non-current portion	**20,000**	–

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as non-current based on the Group's earliest obligations to transfer goods or services to the customers.

19. OTHER PAYABLES AND ACCRUALS

	Note	2023 RMB'000	2022 RMB'000
Current portion:			
Payables related to:			
Construction in progress		**27,094**	32,692
Taxes other than income tax		**7,958**	6,241
Exploration and evaluation assets		**8,925**	6,732
Payroll and welfare payable		**11,486**	9,827
Consultancy and professional services fees		**1,192**	3,667
Mining right payable	*(a)*	**4,264**	–
Deposits received		**544**	104
Accrued government surcharges		**4,529**	4,529
Accrued interest expenses		**609**	954
Other payables		**10,105**	12,891
		76,706	77,637
Non-current portion:			
Mining right payable	*(a)*	**36,260**	–
Other payable		**17,468**	700
		53,728	700
		130,434	78,337

Note:

(a) The balance of mining right payable as at 31 December 2023 represented the remaining balance of payable of approximately RMB49,950,000 (equivalents to a present value of approximately RMB40,524,000) for resource integration process of mining rights to the relevant PRC government authority, which the remaining balance is scheduled to be paid over eight annual instalments up to 31 December 2031. During the year, the Group completed the resource integration process of the Maoling Mine and Yanglongshan Mine which incurred costs of approximately RMB98,222,000 payable to the government, of which the Group paid approximately RMB48,272,000 during the year and the remaining balance was included in mining right payable as at 31 December 2023, and therefore, the Group transferred exploration rights and assets of approximately RMB65,991,000 to mining rights included in intangible assets upon the completion of resource integration.

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	**2023** **RMB'000**	2022 RMB'000
Bank loans – Secured	*(a)*	**69,600**	74,612
Other borrowings – Unsecured	*(b)*	**12,994**	16,496
		82,594	91,108
Analysed into:			
Bank loans repayable:			
Within one year		**69,600**	74,612
Other borrowings repayable:			
Within one year		**–**	16,496
In the second year		**12,994**	–
		12,994	16,496
Total bank and other borrowings		**82,594**	91,108
Balances classified as current liabilities		**(69,600)**	(91,108)
Balances classified as non-current liabilities		**12,994**	–

	2023	2022
	(Effective interest rate)	
Bank loans	**5.00%**	4.35%
Other borrowings	**4.00%-5.00%**	4.00%-8.00%

Notes:

(a) As at 31 December 2023, the Group's bank loan of RMB69,600,000 (2022: RMB74,612,000) are secured by:

(i) Mining rights of Maoling-Yanglongshan Mine with a net carrying amount of RMB172,226,000 (2022: RMB18,477,000) *(note 9)*; and

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

(b) The balance as at 31 December 2023 represents long-term loans granted by an independent third party to Aba Mining at the annual interest rates ranging from 4.00% to 5.00% (2022: 4.00% to 8.00%). These loans were unsecured with repayment terms ranging from fifteen months to two years (2022: one month to eight months).

21. PROVISION FOR REHABILITATION

	2023	2022
	RMB'000	*RMB'000*
At beginning of year	**14,660**	14,523
Additions	**714**	1,296
Unwinding of discount *(note 5)*	**753**	910
Utilisation during the year	**(824)**	(2,069)
At end of year	**15,303**	14,660

22. SHARE CAPITAL

	2023	2022
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

	2023	2022
	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 2023 and 31 December 2023	2,249,015,410	197,889

23. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,249,015,410 (2022: 2,249,015,410) in issue during the year ended 31 December 2023.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2023 and 2022 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares during the current and prior years.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

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

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance."

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

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

- In 2023, the global economic landscape faced considerable challenges, resulting in a notable slowdown in economic growth. The combination of stringent monetary policies, constrictive financial conditions, and sluggish global trade and investment significantly impacted economic momentum. The escalation of conflict in the Middle East added to the heightened geopolitical risks, exacerbated concerns over high debt levels, climate change impacts, and trade fragmentation presented fresh near-term hazards for the global economy. Consequently, global growth is anticipated to decline for the third consecutive year, from 2.6% in 2023 to 2.4% in 2024, almost three-quarters of a percentage point below the average of the 2010s.

- China's economy demonstrated resilience with a 5.2% year-on-year Gross Domestic Product ("GDP") growth in 2023, surpassing the government's initial target of 5%, as reported by the National Bureau of Statistics of China. This performance comes amid challenges, including subdued public sentiment and a stagnant real estate sector.

- Meanwhile, the World Bank projected China's growth to be 4.5% for 2024, with the real estate sector's struggles and subdued demand in the short-term clouding the outlook. Moreover, structural impediments to growth, including high debt levels, an aging population and deceleration in productivity growth in the past year further contribute to the complexity of the overall economic landscape.

- In 2023, the Chinese steel industry faced a moderate recovery, leading to an oversupply. Crude steel production stabilised at 1.019 billion tonnes, mirroring the previous year's output. The "2024 China Steel Demand Forecast Results" by the China Metallurgical Industry Planning and Research Institute indicated a 3.3% decrease in steel consumption to about 890 million tonnes year-on-year. Despite some improvements in steel demand at the beginning of the year, it fell short of industry expectations, further contracting in the second half of 2023. This prompted steel enterprises to proactively reduce production, resulting in a noticeable year-on-year decline in monthly production from August to December in 2023.

- The Iron Ore Price Index compiled by the Mysteel Group, a leading commodity data service provider in China, had revealed a V-shaped trend in 2023, initially decreasing to a low of 821.9 in May 2023, then sharply rising to 1,110.3 by December 2023. This fluctuation was initially driven by weak demand from a sluggish real estate sector and modest infrastructure investment. The latter part of the year, however, saw prices rebound, driven by optimistic macroeconomic policy expectations, increased demand, and stable raw material costs, thereby stimulating growth in the domestic steel market.

- Meanwhile, the Chinese Purchasing Managers' Index ("PMI") consistently remained above the critical threshold of 50 throughout 2023, primarily benefitting from the recovery in general business production and operations in China, indicated the recovery across various sectors. Yet, the PMI's gradual decline from 57.0 in April 2023 to 50.3 in December 2023 suggests a potential deceleration into 2024. Notably, the PMI for the Chinese steel sector remained at a level above 45 during the second half of 2023, reflecting resilience amid broader economic uncertainties.

- In 2023, the China Iron and Steel Association ("CISA") introduced the "Three Fixed Principles," building upon the previously established "1231 work direction" and the "232 key work promotion system." These initiatives, alongside the ongoing "Cornerstone Plan" for iron resource security and the "Steel Application Expansion Plan," underscored the industry's commitment to a "high-end, intelligent, and green" development trajectory, in line with national development objectives. The issuance of the "Interim Measures for the Cultivation and Management of Green Factories" by the Ministry of Industry and Information Technology in late 2023 marked a significant step toward establishing green manufacturing standards, guiding the steel industry and regional economies toward green and low-carbon transformation and upgrade.

- According to the "2023 summary and 2024 outlook for the Chinese property management industry" by the China Index Academy ("CIA"), the property management industry in China has been sustaining positive development momentum within the industry. Achieving record management scales and steady corporate performance improvements, the industry is navigating a deep transformation, prioritising high-quality development over mere market expansion. The first half of 2023 saw property management companies listed in Hong Kong achieve an average revenue of approximately RMB22.3 billion, a 9.9% increase year-on-year, which starkly contrasts with the much higher growth rates during the same period in the previous year. The data indicated a broader industry-wide revenue growth deceleration, reflecting a strategic shift from quantity-focused expansion to quality enhancement.

- The CIA anticipated continued growth in both the management scale and revenue of China's property management sector, propelled by an expanding management scope and the broadening of service offerings. According to CIA estimates, the industry's management scale is expected to exceed 35.0 billion square metres by 2027, with the potential for basic service revenue to approach RMB1 trillion, reflecting the evolving landscape of average property management fees and service extension.

BUSINESS AND OPERATIONS REVIEW

Operation and Financial Overview

During the Reporting Period, the Group managed to restore its high-grade iron concentrates output that were comparable to pre-COVID levels, overcoming production constraints from the pandemic and the disruption of mine operations caused by mudslides and flash floods in Aba Prefecture, Sichuan Province in June 2023 despite persisting market price fluctuations amid challenging operational conditions. In addition, the full-year revenue contribution from the facility management segment, including higher revenues from expansion of its services scopes, had helped to diversify the Group's revenue stream. As a results, the Group's overall profitability improved.

Specifically:

- the production volume of high-grade iron concentrates recorded a significant increase of approximately 55.3%;

- the average selling price for high-grade iron concentrates increased by approximately 1.6%; and

- the steels trading volume increased by approximately 8.5% to approximately 194.7Kt in FY2023, despite a decrease in average selling price by approximately 7.0% due to weak market sentiment.

At the same time, the Group's facility management segment recorded a revenue of approximately RMB19.5 million for FY2023, compared to approximately RMB8.0 million in FY2022 given the full-year revenues contribution and services scope expansion.

Overall, the Group recorded a higher gross profit of approximately RMB36.5 million for FY2023, compared to approximately RMB25.3 million for FY2022, and the administrative expenses remained relatively stable at approximately RMB21.8 million, compared to approximately RMB21.6 million in FY2022.

Details of the financial performance of the Group are set out on page 42 of this announcement.

Overview of Mines

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

Mines	**Processing Plant**	**Status as at 31 December 2023**
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	Assessing and evaluating development and mining plans

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

		Purchase from an independent third party			**Sale to independent third parties**		
		FY2023 *(Kt)*	FY2022 *(Kt)*	Change %	**FY2023 *(Kt)***	FY2022 *(Kt)*	Change %
(i)	**Trading Sales**						
	Steels	**194.7**	179.4	8.5%	**194.7**	179.4	8.5%

		Production volume (Dry basis)			**Sales volume (Dry basis)**		
		FY2023 *(Kt)*	FY2022 *(Kt)*	Change %	**FY2023 *(Kt)***	FY2022 *(Kt)*	Change %
(ii)	**Sale of Self-produced Products**						
	High-grade iron concentrates	**113.8**	73.3	55.3%	**113.8**	73.7	54.4%

Business Risks and Uncertainties

The following is a list of principal risks and uncertainties that are of significance, which may bring potential significant impacts to the Group's businesses, results of operations and financial conditions. However, this is non-exhaustive as there may be other risks and uncertainties arising from changes in economic and other conditions over time:

- **Dynamic macroeconomic environment –** 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 steels may materially affect the businesses of the Group;

- **Price fluctuations and market sentiment** – price fluctuations of iron concentrates, variations in capacity utilisation rates, and shifts in market sentiment influenced by geopolitical tensions and demand changes may result in re-assessment of the valuation of the intangible assets (in relation to exploration and/or mining rights), potentially leading to impairment losses due to decreased value-in-use and reduced economic returns as may be derived from the related cash-generating units;

- **Regulatory changes** – changes in government policies, laws and regulations in the PRC may affect the Group's operational practices and/or result in additional compliance costs;

- **Credit risk exposure** – weak market demand, challenging business environment and real estate crisis may lead to more stringent terms and restrictive financial covenants being imposed by financiers on any corporate refinancing and debts restructuring plans, as applicable. Such conditions could further result in liquidity crunch and exacerbate credit risk conditions, which could potentially lead to broader industry spillovers; and

- **Strategy implementation and resource allocation** – delays or deviations in executing growth and transformation strategies, or in reallocating resources, may affect the Group's operational efficiency and financial results.

FINANCIAL REVIEW

	FY2023	FY2022	Variance
	RMB'000	*RMB'000*	*%*
Revenue	**784,951**	725,869	8.1
Cost of sales	**(748,417)**	(700,591)	6.8
Gross profit	**36,534**	25,278	44.5
Other income and gain	**17,244**	8,371	106.0
Selling and distribution expenses	**(2,254)**	(904)	149.3
Administrative expenses	**(21,783)**	(21,592)	0.9
Other expenses	**(9,980)**	(4,198)	137.7
Reversal of impairment losses, net	**2,674**	4,528	(40.9)
Finance costs	**(8,323)**	(5,965)	39.5
Profit before tax	**14,112**	5,518	155.7
Income tax expenses	**(5,032)**	(4,480)	12.3
Profit for the year	**9,080**	1,038	774.8
ATTRIBUTABLE TO:			
Owners of the Company	**9,697**	1,304	643.6
Non-controlling interests	**(617)**	(266)	132.0
	9,080	1,038	774.8

Revenue

Increase in revenue to approximately RMB785.0 million for FY2023 (FY2022: RMB725.9 million) was mainly attributed to the combined effect of (i) higher sales volume of high-grade iron concentrates and trading due partly to business recovery momentum in China during first half of 2023; and (ii) revenue contribution from the facility management segment for the full year in FY2023, which included increased revenues from the expansion of service scopes.

Cost of Sales

Cost of sales mainly comprises environment compliance cost, incidental costs for resuming the Maoling-Yanglongshan Mine operations from the production disruption and suspension, 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.

For FY2023, cost of sales increased to approximately RMB748.4 million (FY2022: RMB700.6 million) on the back of higher revenue.

Gross Profit and Margin

The Group recorded a higher gross profit of approximately RMB36.5 million for FY2023, compared to approximately RMB25.3 million for FY2022. This improvement was primarily attributed to higher production and sales volume from the High-Fe Mining Operations, leading to lower unit production costs and strengthening the overall gross profit margin to approximately 4.7% for FY2023 from approximately 3.5% for FY2022.

Other Income and Gain

Other income and gain increased to approximately RMB17.2 million for FY2023 from approximately RMB8.4 million for FY2022 primarily due to (i) the proceeds from the sale of mine tailings of approximately RMB7.2 million (FY2022: RMB2.9 million); and (ii) full-year guarantee fees income of approximately RMB8.6 million (FY2022: 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 to approximately RMB2.3 million for FY2023 (FY2022: RMB0.9 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 (including those associated with production disruption and suspension), remained relatively stable at approximately RMB21.8 million for FY2023 (FY2022: RMB21.6 million), reflecting the Group's cost control discipline.

Other Expenses

Other expenses, which comprise primarily cost of processing mine tailings, increased to approximately RMB10.0 million for FY2023 (FY2022: RMB4.2 million) due mainly to (i) a larger volume of mine tailings requiring processing, driven by increased production of high-grade iron concentrates; and (ii) higher transportation costs associated with the storage facilities for the mine tailings, which began operation in September 2022.

Reversal of impairment losses on trade receivables

For FY2023, the Group recovered long-standing receivables of approximately RMB2.7 million (FY2022: RMB4.5 million) from a previous customer. This led to a reversal of the previously recorded impairment loss of the same amount.

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 and long term payables, increased by approximately 39.5% to approximately RMB8.3 million for FY2023 (FY2022: RMB6.0 million). The increase was primarily due to the interest elements of approximately RMB2.2 million arising from the mining right payable to the government associated with the resource integration process of the Maoling-Yanglongshan Mine.

Income Tax Expenses

The Group recorded income tax expenses of approximately RMB5.0 million for FY2023 (FY2022: RMB4.5 million) due mainly to higher operating profits across the business segments leading to higher corporate tax expense under the prevailing tax rates.

Net Profit

Given the above, the Group recorded a Net Profit of approximately RMB9.7 million for FY2023 (FY2022: RMB1.3 million).

Final Dividend

The Board does not recommend the payment of a final dividend for FY2023 (FY2022: Nil).

LIQUIDITY AND CAPITAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for FY2023 and FY2022:

	FY2023		FY2022	
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Cash and cash equivalents at beginning of the year		**9,357**		6,436
Net cash flows from operating activities	**95,147**		21,316	
Net cash flows used in investing activities	**(79,770)**		(23,766)	
Net cash flows (used in)/from financing activities	**(16,712)**		5,231	
Net (decrease)/increase in cash and cash equivalents		**(1,335)**		2,781
Effect of foreign exchange rate changes, net		**16**		140
Cash and cash equivalents at end of the year		**8,038**		9,357

Net Cash Flows From Operating Activities

The Group's net cash flows from operating activities were approximately RMB95.1 million for FY2023 (FY2022: RMB21.3 million) after accounting for (i) operating income before working capital changes of approximately RMB37.4 million (FY2022: RMB17.4 million); (ii) positive working capital changes of approximately RMB60.3 million (FY2022: RMB4.8 million); and (iii) income tax payment of approximately RMB2.6 million (FY2022: RMB0.9 million).

Net Cash Flows Used In Investing Activities

The Group's net cash flows used in investing activities were approximately RMB79.8 million for FY2023 (FY2022: RMB23.8 million) due mainly to partial payments of approximately RMB48.3 million made to the government for costs incurred in relation to the resource integration process, as further elaborated in the section headed "Financial Position – Intangible Assets" in this announcement, such that the Maoling Mine is capable of operating under the combined Maoling-Yanglongshan Mine as intended by both the government and the management (the "combined High-Fe Mining Operations"), and the capital expenditures of approximately RMB30.7 million for engineering and preparatory works on site for progressive upgrade and expansion of the combined High-Fe Mining Operations.

Net Cash Flows (Used In)/From Financing Activities

The Group's net cash flows from financing activities were approximately RMB16.7 million for FY2023 (FY2022: RMB5.2 million), due primarily to (i) net repayments of bank and other borrowings of approximately RMB6.0 million; and (ii) interest payments of approximately RMB4.7 million associated with the working capital loans; and (iii) lease payments of approximately RMB6.0 million related to the right-of-use assets.

FINANCIAL POSITION

Intangible Assets

The Group's intangible assets, which primarily comprise concession rights of the Maoling-Yanglongshan Mine, increased to approximately RMB822.1 million as at 31 December 2023 (FY2022: RMB734.4 million), primarily attributable to costs of approximately RMB98.2 million paid and payable to the government associated with the resource integration process of the combined Maoling-Yanglongshan Mine, of which, the Group has paid an accumulated amount of approximately RMB48.3 million to the government during the Reporting Period, with the remaining balance scheduled to be paid over 8 annual instalments up to 31 December 2031.

Inventories

The Group's inventories, comprise raw materials, stocks and consumables in relation to the High-Fe Mining Operations, increased to approximately RMB18.7 million as at 31 December 2023 (FY2022: RMB13.6 million) mainly due to stocking raw materials in preparation for expected production activities.

Trade and Bills Receivables

The gross amount of trade and bills receivables decreased to approximately RMB119.9 million as at 31 December 2023 (FY2022: RMB209.9 million) due to improved collection cycles. The trade receivables have been substantially collected subsequent to the Reporting Period, while the remaining balance, which falls within the credit period, is expected to be collected before the second quarter of 2024.

Other Receivables

The Group's other receivables increased to approximately RMB96.3 million as at 31 December 2023 (FY2022: RMB6.2 million) for deposits and advanced payments made to a state-owned enterprise for procurement of steel supply in relation to confirmed orders which were delivered to customers and the related sale proceeds have been collected as at the date of this announcement.

Trade Payables

The Group's trade payables increased to approximately RMB71.0 million as at 31 December 2023 (FY2022: RMB35.1 million) mainly due to an increase in purchases of the Group. The overall creditor turnover days were 26 days, as compared to 17 days in FY2022.

Borrowings

Total borrowings of the Group decreased to approximately RMB82.6 million as at 31 December 2023 (FY2022: RMB91.1 million), due to ongoing repayments of working capital loans. As at 31 December 2023, all borrowings of the Group were denominated in RMB. Details of the borrowings of the Group are set out in note 20 to the consolidated financial statements of this announcement.

Lease Liabilities

The total lease liabilities of the Group of approximately RMB23.2 million as of 31 December 2023 (FY2022: RMB24.7 million) represents payment obligations related to the right-of-use assets for (i) office premises; (ii) mine tailings management facilities; and (iii) storage facility for mine tailings.

Contingent Liabilities and Financial Guarantees

The Company has provided 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 RMB730.0 million. The amount guaranteed under the CVT Guarantees as at 31 December 2023 was RMB690.0 million (FY2022: RMB690.0 million). As at 31 December 2023, a principal amount of approximately RMB506.6 million (FY2022: RMB515.4 million) remained outstanding under such loan facilities. The CVT Guarantees had been provided by the Company prior to the 2019 Disposal to guarantee the indebtedness of Huili Caitong and Xiushuihe Mining owed 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 by the Financial Institutions upon the full and final settlement of the guaranteed liabilities, 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 the CVT Guarantees on such terms and conditions contained therein, including, among other things:

- the Company shall continue to provide the 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 amount guaranteed under the CVT Guarantees as at 31 December 2023 was RMB690 million. The CVT Guarantees shall cover the indebtedness owed 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.

Further to the above, as announced on 28 March 2024, the Company has been notified by Huili Caitong on 27 March 2024 that a litigation has been commenced by China Construction Bank Corporation, Liangshan Branch ("CCB") against Huili Caitong in China (the "Litigation"), for principal indebtedness of RMB276.9 million and interest thereof (which Huili Caitong is still in the midst of verifying and confirming the related calculations) owing by Huili Caitong under loan facilities granted by CCB.

As previously disclosed in the Company's circular dated 8 June 2022, the slowing economy, prolonged market recovery, and heightened credit risk have prompted many financial institutions in China to adopt a more conservative approach towards extending banking facilities. This shift has been driven by the need to reduce credit exposure across various industries, resulting in requirements for additional collateral, higher loan-to-value ratios, and/or stricter debt-service coverage ratios, amidst the spillover effects from the real estate debt crisis.

These macroeconomies uncertainties may further lead to tighter liquidity conditions for many businesses as credit demand has softened. Financiers could curtail lending, the need for debt restructuring may rise, and corporate refinancing risks are likely to intensify. These factors underscore the Group's concerns over the potential increased risk of liquidity squeezes in the overall markets amidst a challenging macro-operating environment. These market conditions could result in persistent slowdown in credit expansion, which have prompted certain financiers to impose more stringent terms and restrictive financial covenants on corporate refinancing initiatives and debt restructuring plans.

In response to the CVT Guarantees amidst the increasingly higher credit risk environment as mentioned above, the Company has engaged legal advisor in China and conducted its own internal assessment, including assessment of the adequacy of the Master Guarantee Agreement 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. Meanwhile, Chengyu Vanadium Titano has confirmed that it will continue to fulfil its obligations under the Master Guarantee Agreement.

Having considered (i) the financial positions of both Huili Caitong and Xiushuihe Mining as at 31 December 2023; (ii) the adequacy of the transactions contemplated under the Master Guarantee Agreement, including the appraised value of inventories pledged in favour of the Company thereunder according to the latest independent valuation report dated 22 March 2024, which remained substantially higher than the maximum guarantee amount under the CVT Guarantees as at 31 December 2023; and (iii) other information currently available to the Group, there were no contingent liabilities and financial guarantees effects being recorded in relation to the CVT Guarantees as at 31 December 2023.

In light of the abovementioned, the Group will continue to assess the adequacy of the value of the pledged inventories (including the related independent valuation) and monitor the financial positions of both Huili Caitong and Xiushuihe Mining closely. The Group will provide further updates as and when there is a material development in relation to the abovementioned credit exposure under the Master Guarantee Agreement and the CVT Guarantees.

Save for the above, as at 31 December 2023, 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 2023 was related mainly to a bank loan of RMB69.6 million granted to Aba Mining, which was secured by (i) the mining right of the Maoling-Yanglongshan 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

In December 2023, as part of its operational strategies, Sichuan Lingwei, an indirect wholly-owned subsidiary of the Company, has incorporated two joint ventures with initial registered capital of RMB5.0 million each, which is to be progressively contributed equally by the respective joint venture partners. Please refer to the Company's announcement dated 7 December 2023 for further details.

Except as disclosed in this announcement, 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 FY2023. Additionally, 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 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 (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 consolidated financial statements 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 approximately RMB80.4 million to approximately RMB115.6 million for FY2023 (FY2022: RMB35.2 million) mainly due to costs associated with the resource integration process of the combined Maoling-Yanglongshan Mine, including costs incurred for the engineering works performed in preparation for the progressive upgrade and expansion of the combined High-Fe Mining Operations.

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 2023, the gearing ratio decreased to approximately 9.4% (FY2022: 10.3%) due to repayments of working capital loans.

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2023, the Group had a total of 317 dedicated full time employees (FY2022: 215 employees), including 4 management staff members, 33 technical staff members, 28 administrative and sales & marketing staff members, and 252 operational staff members. For FY2023, the employee benefit expenses (including Directors' remuneration in the form of fees, salaries and other allowances) were approximately RMB34.5 million (FY2022: RMB22.0 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 years 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. Furthermore, 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.

The Disruption to the High-Fe Mining Operations

Due to mudslides and flash floods in Miansi Town and Weizhou Town in Wenchuan County, Aba Prefecture, Sichuan Province at the end of June 2023, the Group had temporarily suspended the entire operations of the Maoling-Yanglongshan Mine since 27 June 2023 and there were also major disruptions to telecommunication, water, electricity, and material supply in the affected regions. The Group had progressively resumed the mine operations at the end of July 2023 upon completion of repairing works, as announced on 27 July 2023.

Please refer to the Company's announcements dated 27 June 2023 and 27 July 2023, respectively, for further details.

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

While economic growth remains elusive, it is encouraging to see a modest but steady recommended 5% GDP growth target for China in the new year. In light of this, we believe that the authorities are not ignorant of the danger of the spiralling real estate crisis and the spillover credit risks as they pledge to preserve economic stability and roll out more stimulus plans, in a bid to boost confidence. We have also learned that the proposed implementation of a proactive fiscal policy to fix decelerating growth will be "flexible, moderate, precise, and effective", as quoted so while China is shifting away from those debt-fuelled and investment-driven models which had propelled the economy exceptionally well.

As a result, it is likely that our business will see a slower recovery pace and slower revenues growth going forward as we adopt a more progressive and less aggressive expansion strategy for obvious reasons. In view of this, we have been systematically reviewing and adjusting our strategic plans. We have also streamlined operational efficiencies and are optimising expansion plans in the face of various dynamic challenges while we are hopeful of more concrete signs of business rebound."

CORPORATE GOVERNANCE

The Company has adopted the CG Code as its own code of corporate governance. The Directors consider that during FY2023, the Company has complied with all the applicable code provisions under 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 Company will endeavour to appoint at least one female Director by 31 December 2024.

Furthermore, in accordance with the updates to the CG Code under the Listing Rules, where code provision B.2.4 of the CG Code states that where 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 FY2023, Mr. Yu Haizong, Mr. Liu Yi and Mr. Wu Wen have each served for a period of more than 9 years on the Board since the date of their first appointment on 4 September 2009, 4 September 2009 and 1 November 2014, respectively. To ensure compliance with the code provision B.2.4 of the CG Code, the Company has been and will continue to source for a new independent non-executive director.

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

During FY2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF THE COMPANY'S AUDITOR ON THE RESULTS ANNOUNCEMENT

The figures in respect of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position of the Group and the related notes thereto for FY2023 as set out in this announcement have been agreed by the Company's auditor, Mazars CPA Limited ("Mazars"), Certified Public Accountants, to the amounts set out in the audited consolidated financial statements of the Group for FY2023. The work performed by Mazars in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

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 FY2023 will be made available to the Shareholders for review on the same 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 FY2023.

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"	collectively, the facility management services framework agreements entered into between (i) Huili Caitong, Xiushuihe Mining and Sichuan Lingwei; and (ii) Yanyuan Xigang and Sichuan Lingwei, on 21 March 2022, respectively, in relation to the provision of facility management services by Sichuan Lingwei to the other parties. Please refer to Company's announcement dated 21 March 2022 for further details
"2023 Framework Agreements"	collectively, the facility management services framework agreements entered into between (i) Huili Caitong, Xiushuihe Mining and Sichuan Lingwei; and (ii) Yanyuan Xigang and Sichuan Lingwei, on 13 December 2022, respectively, in relation to the provision of facility management services by Sichuan Lingwei to the other parties. Please refer to Company's announcement dated 13 December 2022 and circular dated 10 January 2023 for further details
"2023 EGM"	the Shareholders' extraordinary meeting held on 31 January 2023
"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, namely Xiushuihe Mining and Panzhihua Yixingda Industrial Trading Co., Ltd.*, (攀枝花易興達工貿有限責任公司), 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"	refers to the Corporate Governance Code set out in Appendix C1 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", "our", or "we"	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 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, and as at 31 December 2023, RMB690.0 million
"Director(s)"	director(s) of the Company or any one of them
"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 an original maximum guaranteed amount of RMB730.0 million (the maximum amount guaranteed under the CVT Guarantees as at 31 December 2023 was RMB690.0 million) as security in relation to credit facilities granted to Huili Caitong and Xiushuihe Mining, respectively
“FY2022”	financial year ended and/or as at 31 December 2022, as applicable
“FY2023”	financial year ended and/or as at 31 December 2023, 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 operations 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 Caitong Iron and Titanium Co., Ltd.*（會理市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
“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
"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 Province, with a mining area of 1.9 sq.km, which was integrated with the Yanglongshan Mine under the mining licence issued by the Department of Natural Resources of Sichuan Province on 6 May 2023 for the combined Maoling-Yanglongshan Mine
"Maoling Processing Plant"	the ore processing plant located near the Maoling-Yanglongshan Mine and operated by Aba Mining
"Maoling-Yanglongshan Mine"	the combination of the Maoling Extended Exploration Area and the Yanglongshan Mine (since September 2012), as operated by Aba Mining and integrated under the mining licence issued by the Department of Natural Resources of Sichuan Province on 6 May 2023 covering a total mining area of 2.7366 sq.km.
"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

"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
"RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended 31 December 2023
"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 Province, with a mining area of 0.1228 sq.km.
"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
"Sichuan Shengjiawei"	Sichuan Shengjiawei Property Service Co., Ltd.* (四川省盛佳威物業服務有限公司), a Joint venture established in the PRC on 15 December 2023 and a subsidiary of the Company, in which the Company indirectly owns 50% equity interest
"Sichuan Yufengwei"	Sichuan Yufengwei Property Service Co., Ltd.* (四川省宇豐威物業服務有限公司), a Joint venture established in the PRC on 19 December 2023 and a subsidiary of the Company, in which the Company indirectly owns 50% equity interest
"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 Province, 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 with the Maoling Extended Exploration Area since September 2012 to form the Maoling-Yanglongshan Mine
"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*

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

Hong Kong, 28 March 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; Mr. Yu Haizong, Mr. Wu Wen and Mr. Liu Yi as independent non-executive Directors.

Website: www.chinavtmmining.com