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

**中國鈦鈹磁鐵礦業有限公司**

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

**(Stock Code: 00893)**

**INSIDE INFORMATION  
UPDATES ON DISRUPTION OF MINE OPERATIONS IN  
WENCHUAN COUNTY, ABA PREFECTURE,  
SICHUAN PROVINCE DUE TO OUTBREAK OF  
NOVEL CORONAVIRUS (COVID-19) EPIDEMIC  
AND BUSINESS UPDATE**

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

Reference is made to the announcement of the Company dated 7 February 2020 (the “**Announcement**”) in relation to the disruptive impacts of the outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”) on the operations of the Group. Terms defined in the Announcement bear the same meanings in this announcement unless the context requires otherwise.

**UPDATES ON THE IMPACT OF THE EPIDEMIC ON THE OPERATIONS OF THE GROUP**

The Board wishes to provide updates regarding the impact of the Epidemic on the operations of the Group. Pursuant to the Guidelines on Epidemic Prevention for Medium and Small-Sized Enterprises in Wenchuan County\* (汶川中小企業疫情防控指南) issued by the Economic Business and Information Bureau of Wenchuan County\* (汶川縣經濟商務和信息化局) (the “**Bureau**”) on 21 February 2020 (the “**Latest February Guidelines**”), workers who will be travelling from more severely infected areas, such as Hubei Province and Zhejiang Province are required to postpone their return arrangements.

As previously disclosed in the Announcement, a significant portion of the site workers who carry out underground operations at the Maoling Mine (who are employees of the Group's contractor) were supposed to return from Hubei Province and Zhejiang Province after the Chinese New Year holidays, were unable to return to work as scheduled. Under the Latest February Guidelines, these workers will have to further defer their returning plans to resume works at the Maoling Mine given the continuing travel restrictions. Meanwhile, some of the site workers (other than those who are from Hubei Province and Zhejiang Province) are slowly returning to the Maoling Mine to carry out preparatory work for the resumption of the operations at the Maoling Mine (the "**Resumption**").

In the meantime, the Group has acted in a proactive manner in order to forestall a prolonged effect of the Epidemic on its operations. Specifically, the Group

- has officially submitted a resumption plan, which sets out the approach, implementation processes, hygiene and epidemic control measures that the Group has adopted in response to the Epidemic, for the Bureau's review and assessment seeking the Bureau's approval for the Resumption (the "**Submission**");
- has constituted a new division comprising of management team members who will be responsible for the supervision of the process of Resumption and implementation of those key control measures;
- has been communicating with its key suppliers and contractors for logistic arrangements to ensure delivery of raw materials in various stages and gradual return of the site workers in preparation for the Resumption;
- plans to complete the preparatory work for the Resumption by mid-March so that the Group could start to resume limited production by end of March if (i) most of the site workers could possibly return to the Maoling Mine by then and (ii) the Bureau grants approval to the Group for the Resumption; and
- will follow up closely with the Bureau in relation to the status of its application for the Resumption following the Submission.

## **BUSINESS UPDATE**

Undoubtedly, the Epidemic has adversely affected the market sentiment, caused short-term market uncertainty and posed significant downside risks on the pace of demand recovery for many industries in China due to the travelling restrictions, delayed return of workforces, production suspensions and supply chain disruptions. Under such circumstances, the Group is not immune to these impacts and has seen a substantial demand loss that will likely to affect its financial results for the first quarter of 2020 adversely.

Whilst the Group hopes to recoup a significant part of such capacity loss in its internal production plans over the next two quarters, the Group has made certain underlying assumptions, empirically and theoretically, that the Epidemic will only cause a short-term slowdown which will not significantly alter the fundamentals of the Chinese economic growth over a longer term. The Group however notes that the pace of such recovery, if any, will depend largely on the scenarios for and situations of the outbreak containments that the outcomes of which remain largely unknown or uncertain.

On the above grounds and given the degree of uncertainty, the Group has deferred its major capital expenditure decisions and delayed its expansion plans for existing operations. The Group may also need to postpone or slow down its evaluation of opportunities relating to major mining services jobs until the situations improve. In view of this, the Board has urged the management to reassess the existing value-in-use and/or fair values of those relevant operating assets more prudently (as the case may be) by taking into consideration of the macro-factors and key events occurred beyond the last balance sheet date as of 31 December 2019.

As previously disclosed in the circular of the Company dated 10 June 2019 (the “**Circular**”), the Group would record a gain on disposal in the second half of 2019 upon completion of the disposal of the loss-making Disposal Group (as defined in the Circular) on 30 July 2019. As at the date of this announcement, the Group is still in the process of finalising its financial results for the year ended 31 December 2019 and will provide further updates on its performance as and when appropriate.

The Company will update shareholders of the Company in due course if there is any significant development in relation to the Group’s business.

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

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

\* *for identification purpose only*

Hong Kong, 9 March 2020

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

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