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China Vanadium Titano-Magnetite Mining Company Limited

中國鈮鈦磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00893)

**MAJOR TRANSACTION AND CONTINUING
CONNECTED TRANSACTION –
ENTRY INTO MASTER GUARANTEE AGREEMENT**

CONTINUING CONNECTED TRANSACTION

On 30 July 2019, following the Disposal and pending completion of the release of the CVT Guarantees by the Financial Institutions, the Company and Chengyu Vanadium entered into the 2019 Counter Indemnity for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees. The Financial Institutions have updated Huili Caitong that they will only release the CVT Guarantees upon full repayment of the outstanding Loans and thus, the 2019 Counter Indemnity shall continue to remain effective until the date of actual release of the CVT Guarantees.

Given that the CVT Guarantees are continuing in nature and will only be released upon the full and final settlement are made and officially discharged by the respective Financial Institutions, the Company has (i) requested for the extension of the 2019 Counter Indemnity in favour of the Company and (ii) required all the Existing CVT Guarantees Agreements be consolidated and combined into the Master Guarantee Agreement for the ease of administration. The Board is of the view that, for good corporate governance practice, the Company shall seek Independent Shareholders' approval every three years for this continuing connected transaction, as applicable.

MASTER GUARANTEE AGREEMENT

On 16 May 2022 (after trading hours), the Company, the Borrowers and Chengyu Vanadium have entered into the Master Guarantee Agreement. Pursuant to the Master Guarantee Agreement and subject to the terms and conditions provided therein and the approval by the Independent Shareholders at the EGM, the Company has agreed to continue to provide the CVT Guarantees while Chengyu Vanadium has agreed to continue to provide the counter-indemnity in favour of the Company and the Borrowers have agreed to pay guarantee fees to the Company.

On the same date (after trading hours), pursuant to the terms of the Master Guarantee Agreement, Chengyu Vanadium entered into the 2022 Counter Indemnity to cover the Company's contingent liabilities and potential claims under the Master Guarantee Agreement and to pledge Chengyu Vanadium's inventories (comprising structural steels and iron ores, or any other assets approved by the Company) as security for such counter indemnity. The 2022 Counter Indemnity shall take effect on the same date as the Effective Date.

LISTING RULES IMPLICATIONS

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

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

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

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

A circular containing, among other things, (1) further details of the Master Guarantee Agreement; (2) the letter of recommendation from the IBC to the Independent Shareholders; (3) the letter of advice from the IFA to the IBC and the Independent Shareholders; and (4) the notice convening the EGM and the proxy form, is expected to be dispatched to the Shareholders on or before 9 June 2022 as additional time is required for the preparation of information to be included in the circular.

BACKGROUND

Reference is made to the announcements of the Company dated 29 January 2019, 29 March 2019, 30 April 2019, 10 May 2019, 28 June 2019, 30 July 2019 and 29 July 2020 and the circular of the Company dated 10 June 2019 in relation to the Disposal which constitutes a very substantial disposal and connected transaction of the Company under the Listing Rules.

As previously disclosed, the Company provided the CVT Guarantees in favour of the Financial Institutions guaranteeing, inter alia, the indebtedness owing by the Borrowers to the Financial Institutions under the credit facilities granted by the Financial Institutions to the Borrowers, with a maximum aggregate guaranteed amount of RMB730.0 million.

On 30 July 2019, following the Disposal and pending completion of the release of the CVT Guarantees by the Financial Institutions, the Company and Chengyu Vanadium entered into the 2019 Counter Indemnity for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees. The 2019 Counter Indemnity remains effective until the date of actual release of the CVT Guarantees.

The Group, the Borrowers, Chengyu Vanadium and the respective Financial Institutions have been in discussions on the release of the CVT Guarantees since the completion of the Disposal. The Financial Institutions have accordingly informed Chengyu Vanadium and the Borrowers that they will only release the CVT Guarantees provided that the total outstanding Loans with the Financial Institutions are fully repaid.

Given that the CVT Guarantees are continuing in nature and will only be released upon the full and final settlement are made and officially discharged by the respective Financial Institutions, the Company has (i) requested for the extension of the 2019 Counter Indemnity in favour of the Company and (ii) required all the Existing CVT Guarantees Agreements (as set out below) be consolidated and combined into the Master Guarantees Agreement for the ease of administration. In view of the above, the Company, Chengyu Vanadium and the Borrowers have agreed to enter into the Master Guarantee Agreement to continue to provide the CVT Guarantees on such terms and conditions contained therein.

MASTER GUARANTEE AGREEMENT

Date: 16 May 2022 (after trading hours)

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

Period: commencing from the Effective Date to 31 December 2024

Major Terms

1. The Company shall continue the provision of the CVT Guarantees in favour of Financial Institutions for a term commencing from the Effective Date to 31 December 2024 (the “**Master Agreement Period**”), subject to a maximum aggregate guaranteed amount of RMB730.0 million, which is also the historical maximum guaranteed cap.
2. The CVT Guarantees continue to be provided under the Master Guarantee Agreement shall cover:
 - (a) the indebtedness owing by the Borrowers to the Financial Institutions under the CVT Guarantees; and
 - (b) any loans approved by the Financial Institutions for rollover under the extension of the indebtedness set out in (a) above from time to time,

(collectively, the “**Loans**”).
3. During the term of extension of the CVT Guarantees, the Borrowers shall:
 - (a) ensure that the aggregate amount of the Loans and the total interest for the Loans for the three years ending 31 December 2024 shall not exceed RMB601.0 million, being the total estimated liabilities of the Borrowers round up to the nearest million during the Master Agreement Period comprising (i) the amount of the Loans owing by the Borrowers to the Financial Institutions of approximately RMB533.4 million as at 31 December 2021 (the “**2021 Outstanding Principal**”) and (ii) the total estimated interest payable by the Borrowers for the Loans of approximately RMB67.0 million during the Master Agreement Period (the “**Total Interest**”), estimated based on the average historical interest rate of approximately 5.0% per annum; and

- (b) pay an annual guarantee fee to the Company, calculated at 1.25% of the maximum guaranteed amounts, in accordance with the terms of the Master Guarantee Agreement. The guarantee fee shall start to accrue from the Effective Date and the Borrowers shall pay such annual guarantee fee within 30 days after end of each calendar quarter.

The annual rate of the guarantee fees has been determined based on arm's length negotiations between the Company and the Borrowers having considered (i) the market rates generally payable for the provision of corporate guarantees by publicly listed companies in Hong Kong and (ii) the quantum of the maximum guaranteed amounts.

4. Chengyu Vanadium shall provide counter-indemnity in favour of the Company by:

- (a) pledging its inventories (comprising structural steels and iron ores, or any other assets approved by the Company) as security for such counter-indemnity. The market value of such pledged inventories shall not be less than 1.25 times of the maximum guaranteed amounts under the Master Guarantee Agreement; and
- (b) providing a joint liability guarantee which allows the Company to claim against Chengyu Vanadium directly for any payments, losses and expenses incurred as a result of the CVT Guarantees.

In this connection, Chengyu Vanadium has entered into the 2022 Counter Indemnity to cover the Company's contingent liabilities and potential claims under the Master Guarantee Agreement and to pledge Chengyu Vanadium's inventories (comprising structural steels and iron ores, or any other assets approved by the Company) as security for such counter indemnity. The 2022 Counter Indemnity shall take effect on the same date as the Effective Date.

Conditions Precedent

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

Proposed Guarantee Annual Caps

The proposed Guarantee Annual Caps are as follows:

Period	Guarantee Annual Caps RMB' million
From Effective Date to 31 December 2022	730.0
From 1 January 2023 to 31 December 2023	730.0
From 1 January 2024 to 31 December 2024	730.0

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

1. the historical maximum guaranteed amounts mandated under the CVT Guarantees and that the CVT Guarantees have not been released by the Financial Institutions as at the date of this announcement for the reasons as explained in the above; and
2. the total estimated liabilities of the Borrowers during the Master Agreement Period comprising the 2021 Outstanding Principal and the Total Interest, which shall continue to fall within the maximum guaranteed amounts of the CVT Guarantees.

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

Historical Maximum Guaranteed Amounts

The historical maximum guaranteed amounts provided by the Group and historical annual caps under the CVT Guarantees were as follows:

Period	Historical maximum guaranteed amounts <i>RMB' million</i>	Outstanding Loans <i>RMB' million</i>
From 1 January 2019 to 31 December 2019	730.0	549.9
From 1 January 2020 to 31 December 2020	730.0	542.7
From 1 January 2021 to 31 December 2021	730.0	533.4
From 1 January 2022 to the date of this announcement	730.0	533.4

For each of the three years ended 31 December 2019, 2020 and 2021, the highest guaranteed amounts historically provided by the Company to the Financial Institutions under the CVT Guarantees was RMB730.0 million.

RATIONALE FOR ENTERING INTO THE MASTER GUARANTEE AGREEMENT

As previously disclosed in the circular of the Company dated 10 June 2019 and the announcement of the Company dated 29 July 2020, the Loans under the CVT Guarantees granted by the Financial Institutions had remained outstanding since the date of the completion of the Disposal. As at the date of this announcement, the outstanding principal is approximately RMB533.4 million, which is approximately RMB196.6 million or 26.9% lower than the maximum guaranteed amounts of RMB730.0 million under the CVT Guarantees due to progressive repayments. Chengyu Vanadium and the Borrowers have further undertaken pursuant to the 2022 Letter of Undertaking (as defined and discussed further below) that they will make progressive repayment and/or shall procure that the Loans be progressively reduced.

On 29 July 2020, the Company announced that Chengyu Vanadium and the Borrowers have updated the Company that they have been following up with the Financial Institutions with their best effort for the release of the CVT Guarantees, but it has taken longer than expected for the Financial Institutions to review the release of CVT Guarantees due to COVID-19 pandemic. Since then, Chengyu Vanadium and the Borrowers have continued to be in active discussions with the respective Financial Institutions in releasing the CVT Guarantees while the Borrowers have continued to repay the Loans and interests thereof over the past three years ended 31 December 2021 (please refer to the paragraph headed “Historical Maximum Guaranteed Amounts” above).

Amidst the slowing economy, prolonged market recovery and heightened credit risk under the current business environment in the PRC, including the spillover effects of the real estate debt risks, many financial institutions in the PRC have, across the board, adopted a much more conservative approach in extending banking facilities for companies in various industries that they have reduced their credit exposure, required pledges of additional collateral and imposed higher loan-to-value and/or debt-service coverage ratios. Such an environment has, to a larger extent, affected the willingness of the Financial Institutions in evaluating the release of the CVT Guarantees prematurely. Despite the efforts placed by Chengyu Vanadium and the Borrowers, the Financial Institutions have recently expressed again that they require the total amounts owing by the Borrowers to the Financial Institutions to be fully repaid prior to releasing the CVT Guarantees.

Notwithstanding the aforesaid responses from the Financial Institutions in relation to the release of the CVT Guarantees, the Company consider that the counter-indemnity in favour of the Company under the 2022 Counter Indemnity will adequately cover the Company’s position. The Company, Chengyu Vanadium and the Borrowers further agree that it is of paramount importance to foster and maintain amicable business relationship with the respective Financial Institutions under the existing business environment in the PRC.

The continuity of the CVT Guarantees under the Master Guarantee Agreement and the 2022 Counter Indemnity will also avoid having to deal with with the pertinent requests for change in security and/or collateral for the Loans in an abrupt manner while allowing both the Company and the Borrowers to continually engage in ongoing and fruitful discussions with the respective Financial Institutions for progressive release of the CVT Guarantees while the Borrowers will continue to make gradual repayment of the Loans without any major operational disruptions. Meanwhile, the Board is of the view that, for good corporate governance practice, the Company shall seek Independent Shareholders' approval every three years for the current proposed continuing connected transaction, as applicable and will keep Shareholders updated from time to time on any material information pertaining to the continuity of the CVT Guarantees.

The details of the CVT Guarantees have been disclosed in the circular previously issued by the Company dated 10 June 2019 and the Company's annual reports; and in consistent with the terms and conditions for the completion of the Disposal, Chengyu Vanadium and the Borrowers have continued to agree that they shall, on best effort basis, procure the discharge of the CVT Guarantees, which is conditional upon the approvals of the Financial Institutions. As such, in accordance with the terms and conditions for the completion of the Disposal, the CVT Guarantees shall continue to be in existence until the full and final settlement are made and officially discharged by the respective Financial Institutions.

Given that the CVT Guarantees are continuing in nature and will only be released upon the full and final settlement are made and officially discharged by the respective Financial Institutions, the Company has requested, and Chengyu Vanadium has agreed, that:

- the pertinent terms and conditions in relation to the 2019 Counter Indemnity, Additional Security, Irrevocable Undertaking and Indemnity Confirmation (the “**Existing CVT Guarantees Agreements**”) shall remain unchanged and remain effective until the CVT Guarantees are fully released notwithstanding the reduction of the outstanding Loans under the CVT Guarantees. In particular, the value of security guaranteed under the 2022 Counter Indemnity in favour of the Company shall not be less than 1.25 times of the maximum guaranteed amounts;
- for the ease of administration, reference and execution, taking effect from the Effective Date, the Existing CVT Guarantees Agreements be consolidated and combined into the Master Guarantee Agreement, and in furtherance of which (i) the 2019 Counter Indemnity and Additional Security shall be replaced by the 2022 Counter Indemnity and shall cease to take effect; and (ii) the Irrevocable Undertaking and Indemnity Confirmation shall be replaced by the 2022 Letter of Undertaking and shall cease to take effect; and
- the execution of the Master Guarantee Agreement, for purpose of good corporate governance practice, be tabled for Independent Shareholders' approval every three years commencing from the Effective Date until the Loans are fully repaid and the CVT Guarantees are released.

To the best knowledge of the Directors, up to the date of this announcement, the Company notes that (i) the values of security under the 2019 Counter Indemnity and Additional Security (in aggregate) remain substantially higher than the maximum guaranteed amounts and outstanding amounts of the Loans; and (ii) no actions have been taken or threatened to be taken by any of the Financial Institutions in enforcing any of the CVT Guarantees against the Company.

Chengyu Vanadium and the Borrowers have further undertaken that they will continue to make progressive repayment and/or shall procure that the Loans be progressively reduced. More specifically, Chengyu Vanadium and the Borrowers have also signed a letter of undertaking to the Company (the “**2022 Letter of Undertaking**”) that they shall, on best effort basis, reduce the maximum guaranteed amounts to not more than RMB530.0 million by 31 December 2024 from the existing RMB730.0 million. The Company however notes that the progressive release of the CVT Guarantees is still subject to the final approval from the respective Financial Institutions.

The Board also notes that (i) the market values of the security under the 2022 Counter Indemnity are sufficient to cover the maximum aggregate guaranteed amount provided by the Company to the Financial Institutions under the Master Guarantee Agreement, (ii) the guarantee fees payable by the Borrowers to the Company under the Master Guarantee Agreement allows the Group to receive additional income to cover part of its corporate overheads in administering the Master Guarantee Agreement; (iii) the historical repayment of the outstanding Loans, including continual repayments of the rollover loans, have resulted in progressive reduction in the outstanding Loans; (iv) the 2022 Letter of Undertaking shows that the Borrowers are committed to reduce maximum guaranteed amounts to not more than RMB530.0 million by 31 December 2024 from the existing RMB730.0 million; and (v) to the best of the Directors’ knowledge, as at the date of this announcement, no actions have been taken or threatened to be taken by any of the Financial Institutions in enforcing any of the CVT Guarantees against the Company.

INTERNAL CONTROL MEASURES

To safeguard the interests of the Shareholders as a whole, the Company has adopted internal control measures relating to the transactions contemplated under the Master Guarantee Agreement and 2022 Counter Indemnity, which include the following:

- (i) the Borrowers will submit all the related loan details to the Company on a quarterly basis and the compliance department will report to the management of the Company in the event that there is any deviation from the basis as set out in the Master Guarantee Agreement, the management will then report to the the Board during the quarterly audit committee meeting;
- (ii) the Company will engage an independent professional valuer to perform physical sighting and to ascertain the market value of the inventories pledged under the 2022 Counter Indemnity at end of each financial year and to ensure that such market value shall not be less than 1.25 times of the maximum guaranteed amounts as at the respective year end, as applicable;

- (iii) the independent non-executive Directors have reviewed and will continue to review the connected transaction agreements to ensure that such agreements, if applicable, are entered on normal commercial terms, fair and reasonable, and carried out pursuant to the terms thereof; and
- (iv) the Company's external auditor has reviewed the CVT Guarantees on annual basis since 2019 and will continue to conduct an annual review of the transactions entered into under the Master Guarantee Agreement and to ensure that, among other, such connected transactions are entered into in accordance with the terms set out in the Master Guarantee Agreement.

In view of the above, the Directors (other than the independent non-executive Directors whose opinion will be included in the circular after having been advised by the IFA) consider that the terms of the Master Guarantee Agreement, are on normal commercial terms after arm's length negotiations between the parties and are normal commercial terms and are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

In conducting the transaction under the CVT Guarantees, the Company shall continue to comply with the annual review and disclosure requirements including publishing an announcement and annual reporting as required under Listing Rules 14A.60.

INFORMATION OF THE PARTIES

The Group

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

Chengyu Vanadium

Chengyu Vanadium is a company established in the PRC which is effectively (i) 67.5% owned by the Relevant CVT Substantial Shareholders; and (ii) 32.5% owned by 15 individuals and one union. As at the date of this announcement, none of such 15 individuals and/or union effectively owns more than 30% of the equity interests in Chengyu Vanadium, and they are all independent third parties. As the Relevant CVT Substantial Shareholders collectively hold more than 30% equity interests in Chengyu Vanadium, Chengyu Vanadium is a connected person for the purposes of the transactions contemplated under the Master Guarantee Agreement. Chengyu Vanadium is principally engaged in the manufacturing, processing and sales of structural steels and other self-produced products such as vanadium pentoxide.

The Borrowers:

Huili Caitong

Huili Caitong is a company established in the PRC with limited liability which is principally engaged in iron ore mining, iron ore beneficiation and sale of self-produced products. As at the date of this announcement, Huili Caitong is wholly owned by Chengyu Vanadium, which is effectively (i) 67.5% owned by the Relevant CVT Substantial Shareholders; and (ii) 32.5%

owned by 15 individuals and one union. As at the date of this announcement, none of such 15 individuals and/or union effectively owns more than 30% of the equity interests in Chengyu Vanadium and thus, they are all independent third parties. Huili Caitong was formerly an indirect wholly-owned subsidiary of the Company before the completion of the Disposal on 30 July 2019.

Xiushuihe Mining

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

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

IMPLICATIONS OF THE LISTING RULES

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

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

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

EGM

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

A circular containing, among other things, (1) further details of the Master Guarantee Agreement; (2) the letter of recommendation from the IBC to the Independent Shareholders; (3) the letter of advice from the IFA to the IBC and the Independent Shareholders; and (4) the notice convening the EGM and the proxy form, is expected to be dispatched to the Shareholders on or before 9 June 2022 as additional time is required for the preparation of information to be included in the circular.

APPROVAL BY THE BOARD

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

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

DEFINITIONS

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

“2019 Counter Indemnity” a moveable asset pledge contract (動產質押合同) entered into between Chengyu Vanadium and the Company on 30 July 2019 for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company’s contingent liabilities and potential claims under the CVT Guarantees (if any), and the pledge of Chengyu Vanadium’s inventories (including but not limited to structural steels, coals etc.) as security for such counter-indemnity

“2022 Counter Indemnity”	the counter indemnity agreement entered into between Chengyu Vanadium and the Company on 16 May 2022 for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company’s contingent liabilities and potential claims covered under the Master Guarantee Agreement (if any), and the pledge of Chengyu Vanadium’s inventories (comprising structural steels and iron ores or any other assets approved by the Company) as security for such counter-indemnity
“Additional Security”	the pledge of at least 100,000 tons of structural steels with a market value of not less than RMB300.0 million at any point in time as additional security by Chengyu Vanadium in favour of the Company for the counter-indemnity provided by the Purchaser under the 2019 Counter Indemnity
“Board”	the board of directors of the Company
“Borrowers”	Huili Caitong and Xiushuihe Mining
“Chengyu Vanadium”	Chengyu Vanadium Titano Technology Ltd.* (成渝鈦鈦科技有限公司), formerly known as Weiyuan Steel Co., Ltd.* (威遠鋼鐵有限公司), a sino-foreign equity joint venture established in the PRC on 3 April 2001, and is controlled by the Relevant CVT Substantial Shareholders
“Company”	China Vanadium Titano-Magnetite Mining Company Limited (中國鈦鈦磁鐵礦業有限公司), a limited liability company incorporated in the Cayman Islands on 28 April 2008, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 00893)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CVT Guarantees”	guarantees given by the Company in favour of the Financial Institutions guaranteeing, inter alia, the indebtedness owing by the Borrowers to the Financial Institutions with a maximum guaranteed amounts of RMB730.0 million
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal by Sichuan Lingyu of the entire equity interest in Huili Caitong (and its subsidiaries, namely Xiushuihe Mining and Panzhihua Yixingda) pursuant to the sale and purchase agreement dated 29 January 2019 entered into among Sichuan Lingyu and Chengyu Vanadium
“EGM”	extraordinary general meeting of the Company, to be convened to consider and, if thought fit, approve the Master Guarantee Agreement (together with the Guarantee Annual Cap(s)) and the transactions contemplated thereunder
“Effective Date”	the effective date of the Master Guarantee Agreement, being the date of fulfilment of all conditions precedent set out thereunder
“Financial Institutions”	certain banks and an asset management and financial services institution in the PRC in favour of which the Company entered into the CVT Guarantees with a maximum guaranteed amounts of RMB730.0 million as security in relation to credit facilities granted to the Borrowers
“Group”	the Company and its subsidiaries
“Guarantee Annual Cap(s)”	the proposed annual caps in respect of the maximum guaranteed amounts to be provided by the Company to the Financial Institutions under the Master Guarantee Agreement for each of the three years ending 31 December 2024
“Huili Caitong”	Huili County Caitong Iron and Titanium Co., Ltd.* (會理縣財通鐵鈦有限責任公司), a limited liability company established in the PRC on 7 July 1998, which is a wholly-owned subsidiary of Chengyu Vanadium
“IBC”	an independent board committee of the Board, comprising all the independent non-executive Directors of the Company, namely Mr. Yu Haizong, Mr. Wu Wen and Mr. Liu Yi, to advise the Independent Shareholders with respect to the Master Guarantee Agreement (together with the Guarantee Annual Cap(s)) and the transactions contemplated thereunder

“IFA”	Goldlink Capital (Corporate Finance) Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the IBC and the Independent Shareholders with regard to the Master Guarantee Agreement (together with the Guarantee Annual Cap(s)) and the transactions contemplated thereunder
“Indemnity Confirmation”	a confirmation by Chengyu Vanadium and the Borrowers in favour of the Company of their obligations under the 2019 Counter Indemnity for keeping the Company indemnified against any loss and costs that may be suffered by the Company in connection with any enforcement by any Financial Institution of any CVT Guarantees
“Independent Shareholders”	Shareholders, other than Trisonic International, the Relevant CVT Substantial Shareholders and their respective close associates which are required to abstain from voting at the EGM pursuant to the Listing Rules
“Irrevocable Undertaking”	an irrevocable undertaking that the Borrowers shall continue to repay the principal amount and interests of the loans under the CVT Guarantees in accordance with the terms of such loans with the Financial Institutions to prevent the Company from assuming the guarantee responsibility under the CVT Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Master Guarantee Agreement”	the master guarantee agreement entered into between the Company, the Borrowers and Chengyu Vanadium on 16 May 2022 (after trading hours), under which the Company agreed to continue to provide the CVT Guarantees on certain conditions
“Panzhuhua Yixingda”	Panzhuhua Yixingda Industrial Trading Co., Ltd.* (攀枝花易興達工貿有限責任公司), a limited liability company established in the PRC on 9 July 2009, which is a wholly-owned subsidiary of Huili Caitong

“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Relevant CVT Substantial Shareholders”	Mr. Wang Jin (王勁), Mr. Shi Yinjun (石銀君), Mr. Zhang Yuangui (張遠貴) and Mr. Li Hesheng (李和勝), parties acting in concert and some of the substantial Shareholders through their ownership in Trisonic International
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Sichuan Lingyu”	Sichuan Lingyu Investment Co., Ltd.* (四川省凌御投資有限公司), a limited liability company established in the PRC on 9 June 2010 and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trisonic International”	Trisonic International Limited (合創國際有限公司), a company incorporated in Hong Kong on 19 July 2006 and a controlling shareholder of the Company
“Xiushuihe Mining”	Huili County Xiushuihe Mining Co., Ltd.* (會理縣秀水河礦業有限公司), a limited liability company established in the PRC on 26 June 2007, which is owned as to 95% by Huili Caitong and 5% by Xichang Vanadium and Titanium Products Co., Ltd* (西昌釩鈦製品有限公司)
“%”	per cent

* For identification purpose only

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

Hong Kong, 16 May 2022

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.