

To: Financial Reporters  
[Immediate Release]



China Vanadium Titano-Magnetite Mining Company Limited  
中國鈦鐵磁鐵礦業有限公司

**China VTM Mining Maintains Strong Growth Momentum in 2010**

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**Revenue Increased by 43.4%**  
**Profit and Total Comprehensive Income Attributable to**  
**Owners of the Company Increased by 62.7%**

Financial Highlights (For the year ended 31 December)			
	2010 (RMB '000)	2009 (RMB '000)	Increases
Revenue	1,554,130	1,083,876	↑43.4%
Gross profit	830,439	501,749	↑65.5%
Profit and total comprehensive income for the year	584,024	366,919	↑59.2%
Profit and total comprehensive income attributable to owners of the Company	533,447	327,867	↑62.7%
Earnings per share attributable to ordinary equity holders of the Company (RMB) – basic and diluted	0.26	0.20	↑30.0%

[14 March 2011, Hong Kong] **China Vanadium Titano-Magnetite Mining Company Limited** (“China VTM Mining” or the “Company”, together with its subsidiaries, the “Group”) (Stock code: 00893.HK), the second largest operator and the largest non-state owned operator of iron ore mines in Sichuan province, the People’s Republic of China (the “PRC”), today announced its annual results for the year ended 31 December 2010.

For the year ended 31 December 2010, the Group has maintained a strong growth momentum in both revenue and profit. The Group’s revenue amounted to approximately RMB1,554.1 million, representing an increase of 43.4% over 2009. The gross profit for the year increased by 65.5%, from approximately RMB501.7 million to approximately RMB830.4 million.

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The profit and total comprehensive income for the year recorded an increase of 59.2%, from approximately RMB366.9 million to approximately RMB584.0 million. Concurrently, the profit and total comprehensive income attributable to owners of the Company amounted to approximately RMB533.4 million, representing a significant increase of 62.7% over 2009. The basic and diluted earnings per share attributable to ordinary equity holders of the Company was RMB0.26 per share. The board of directors recommended the payment of a final dividend of HK\$0.062 per share (equivalent to approximately RMB0.052 per share) for the year ended 31 December 2010, representing 20.2% of the profit and total comprehensive income attributable to owners of the Company.

In 2010, the PRC economy has maintained a positive recovery trend with an impressive rebound in industrial production and a strong domestic demand. Both China and Sichuan province recorded rapid growth in gross domestic product. Benefitting from the PRC's 12<sup>th</sup> Five-Year Plan promulgated in October 2010 prioritising thorough implementation of the western region development strategy, and the 23 new infrastructure projects in the western region to be launched by the National Development and Reform Commission of the PRC in July 2010, the surge in demand for steel in Sichuan province has also boosted the iron ore demand in the region. For the year ended 31 December 2010, the Group's total production volume of iron concentrates increased by 23.1% from 1,631.3 Kt to 2,007.9 Kt, as compared to the preceding year, while its total production volume of iron pellets increased by 3.7% from 687.6 Kt to 713.2 Kt, as compared to the preceding year. Furthermore, the Group began production of high-grade titanium concentrates during the year and achieved a production volume of 66.5 Kt.

Under these favourable market conditions, the Group remained committed to sustaining strong growth by acquiring mines and processing plants during the year. The Group successfully entered into an acquisition agreement to acquire the mining right for the Yangqueqing Mine on 16 January 2010. Upon approval from the Land and Resources Department of Sichuan for the merger of the Baicao Mine and the Yangqueqing Mine, the Group will be entitled to exploit these two mines in a co-ordinated way together with the mining right for iron ore resources found between these mines and in the area nearby, where the resources are expected to be 81.6 Mt. On 3 February 2010, the Group entered into an agreement to acquire the exploration right for the Cizhuqing Mine with a highly competitive offer, which has further increased the Group's iron ore resources while extending the geographical footprint of the Group in Sichuan province. Furthermore, the Group entered into an acquisition agreement on 15 November 2010 to acquire the entire interest of Aba Mining Co., Ltd. ("Aba Equity Interest"). Upon the completion of this acquisition, the Group will own the Maoling Mine and the Yanglongshan Mine.

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To achieve sustainable development, the Group is committed to further increasing production capacity by expanding existing processing facilities and acquiring additional processing plants. On 3 February 2010 and 11 March 2010, the Group acquired the Hailong Processing Plant and the Heigutian Processing Plant, respectively. The Hailong Processing Plant has an annual production capacity of 300.0 Kt for iron concentrates, while the Heigutian Processing Plant has an annual capacity of 800.0 Kt for iron concentrates and 120.0 Kt for high-grade titanium concentrates. During the year, the Group has also begun the construction of a new iron concentrate production line with a planned annual production capacity of 300.0 Kt and a new high-grade titanium concentrate production line with a planned annual production capacity of 100.0 Kt, both are located at the Xiushuihe Processing Plant, as well as the first phase of a new iron pelletising plant with a planned annual production capacity of 1,000.0 Kt located at approximately 5.5 km from the Xiushuihe Mine. Upon the completion of acquisition of the Aba Equity Interest, the Group will also own an iron concentrate production line with an annual production capacity of 150.0 Kt.

Looking forward, Mr. Jiang Zhong Ping, Chairman of China VTM Mining said, "Benefitting from global economic recovery and rising demand for industrial raw materials, the demand for iron ore continues to increase. Thus, the Group remains positive and optimistic over iron ore prices in 2011. With various favourable initiatives introduced by the PRC government as well as a promising industry development outlook, the Group is ideally poised to fully capitalise on its leading position within the industry and will continue to strive for satisfactory results. The Group will also continue to strengthen its position in the local Sichuan iron ore market and across the entire country. Firstly, mergers and acquisitions will remain the major business development strategy for the Group. The Group will continue to adhere to this strategy and leverage its regional leading position, while actively seeking out other potential mineral resources to further expand overall reserves. Secondly, the Group will actively upgrade existing facilities and technologies to further expand our production capacity and output to meet strong future demand. Moving ahead, the Group is well positioned to become the leading operator of iron ore mines in the PRC and is fully committed to our overall business development so that we could provide solid returns to our stakeholders."

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

Listed on the main board of the Hong Kong Stock Exchange on 8 October 2009, China VTM Mining is the second largest operator and the largest non-stated owned operator of iron ore mines in Sichuan province. The Group is primarily engaged in mining, ore processing, iron pelletising and the sale of iron concentrates, iron pellets and titanium concentrates to steel producers and downstream users of titanium-related products. The Group now owns and operates four vanadium-bearing titano-magnetite mines (namely the Baicao Mine, the Xiushuihe Mine, the Yangqueqing Mine and the Cizhuqing Mine), four processing plants (namely the Baicao Processing Plant, the Xiushuihe Processing Plant, the Hailong Processing Plant and the Heigutian Processing Plant) and one iron pelletising plant, all of which are located in Sichuan's Panxi region, a region with the most abundant vanadium-bearing titano-magnetite resources in China.

For more information, please visit: <http://www.chinavtmmining.com>.

Issued by Porda Havas International Finance Communications Group for and on behalf of **China Vanadium Titano-Magnetite Mining Company Limited**. For further information, please contact:

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