



STRATEGIC FINANCIAL RELATIONS LIMITED  
縱橫財經公關顧問有限公司

FOR IMMEDIATE RELEASE



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

## China VTM Announces 2013 Interim Results

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### *Diversifying into Prosperity*

**Hong Kong, 26 August 2013 – China Vanadium Titano-Magnetite Mining Company Limited** (“China VTM Mining” or the “Company”, together with its subsidiaries, the “Group”) (stock code: 00893.HK), today announced its unaudited interim results for the six months ended 30 June 2013 (the “Reporting Period”).

The market environment was tough during the first half of 2013 in large measure due to the continuing excess steel production in China, which led to a decline in the market prices of steel products and eventually to their raw materials - iron ore products. Although the Group was able to increase its revenue by 8.1% to approximately RMB836.7 million, the decrease in market prices coupled with the increased unit production costs of the Group’s products have adversely affected its business. The profit and total comprehensive income attributable to owners of the Company was approximately RMB125.9 million. The basic and diluted earnings per share attributable to ordinary equity holders of the Company amounted to approximately RMB6 cents. The board of the Company does not recommend the payment of an interim dividend for the Reporting Period.

As one of the key growth drivers of the Group, the total production volume and total sales volume of high-grade titanium concentrates rose by 55.3% and 63.9%, respectively during the Reporting Period. Its contribution to the total revenue also further increased to approximately 12.4%.

Commenting on the business outlook, **Mr. Jiang Zhong Ping, Chairman of China VTM Mining** said, “Despite the recent tough market conditions, we can be conservatively optimistic about the iron ore mining industry in the long-run. Pressure on steel prices should hopefully be alleviated as the Ministry of Industry and Information Technology of the People’s Republic of China announced its intention to eliminate non-compliant industrial production facilities to reduce excess capacity. Work on urban rail infrastructure projects has gradually commenced, which is expected to drive demand for raw materials. Recently, we have also seen signs that the downward trend of steel prices has started to reverse. Riding on the solid foundation we have established over the years, the Group remains committed to consolidate our leading position in the industry and to bring the best returns to our shareholders.”

On 11 July 2013, the Group announced that niobium and tantalum ores had been discovered in the Baicao mine. To better preserve these resources, the Group decided to adjust its normal mining operation and it is expected that the production volume of the vanadium-bearing iron concentrates at the Baicao mine will be significantly reduced. Inevitably, the Group's results for the second half of 2013 and the first half of 2014 will be subsequently affected. However, the Group intends to proactively seek out viable market opportunities to expand its revenue stream in order to further diversify its business development as well as to drive profit growth.

To grasp future opportunities, the Group has formulated a series of measures to further consolidate its competitiveness and achieve sustainable development. These initiatives include increasing the available resources and reserves in sustainable ways such as boundary extensions of existing mines and acquisition of new mines, enhancing production efficiency by further expanding production volume through the use of innovative technologies and prudent investments overseas in order to obtain the corresponding returns.

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#### **About China VTM Mining**

China VTM Mining has been listed on the main board of The Stock Exchange of Hong Kong Limited since 8 October 2009. 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 within Sichuan province. The Group currently owns four vanadium-bearing titanomagnetite mines (namely the Baicao mine, the Xiushuihe mine, the Yangqueqing mine and the Cizhuqing mine), and one ordinary iron ore mine (namely the Maoling-Yanglongshan mine), five processing plants (namely the Baicao processing plant, the Xiushuihe processing plant, the Hailong processing plant, the Heigutian processing plant and the Maoling processing plant) and one iron pelletising plant. All mines are located in Sichuan province, a region with the most abundant vanadium-bearing titanomagnetite resources in China. As at the date of this press release, the Group's annual self-production capacity (on a wet basis) of vanadium-bearing iron concentrates, ordinary iron concentrates, iron pellets and high-grade titanium concentrates amounted to 2,600 Ktpa, 150 Ktpa, 1,000 Ktpa and 280 Ktpa, respectively.

In addition, the Group has also entered into an agreement to develop the Dashanshu section of the Pingchuan mine through a joint venture arrangement and an agreement to acquire Panzhuhua Yixingda Industrial Trading Co., Ltd., which owns the exploration right of the Haibaodang mine. For more information, please visit: [http:// www.chinavtmmining.com](http://www.chinavtmmining.com).

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