



China Vanadium Titano-Magnetite Mining Company Limited
中國鈮鈦磁鐵礦業有限公司

China VTM Mining Announces 2017 Interim Results

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Change amid Stability and Pursue Development

Hong Kong, 28 August 2017 – **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 interim results for the six months ended 30 June 2017 (the “Reporting Period”).

During the Reporting Period, public infrastructure expenditure and the unexpected real estate demand were the major drivers of economic growth of China, which helped to stabilise the steel demand. China’s steel industry, to some extent, showed signs of recovery that the Group’s business for its self-produced products benefitted from both higher prices and more stable demand during the Reporting Period. Given the improved market conditions, the Group made guided decisions to reduce trading sales, which earned substantially lower margins. As such, the Group’s revenue decreased by 39.6% to approximately RMB715.7 million during the Reporting Period as compared with the corresponding period in 2016. Nonetheless, as a result of higher selling prices for the Group’s self-produced products, the Group’s gross profit surged to approximately RMB70.0 million for the Reporting Period as compared with approximately RMB2.5 million for the corresponding period in 2016. The gross profit margin improved significantly to approximately 9.8% for the Reporting Period from approximately 0.2% for the corresponding period in 2016.

During the Reporting Period, as a result of cost control and the decline in administrative expenses and fair value loss on financial assets, the loss and total comprehensive loss attributable to owners of the Company narrowed to approximately RMB111.3 million, from approximately RMB217.5 million for the corresponding period in 2016. The basic and diluted loss per share attributable to ordinary equity holders of the Company was approximately RMB5 cents. The board of directors of the Company does not recommend the payment of an interim dividend for the Reporting Period.

In the midst of market uncertainty, the Group continues to scale back part of its capacity, streamline its operations and keep its operating costs down for better economies of scale while continually expanding revenue stream and cutting down segmental losses. Against this backdrop, the Group also seeks opportunities to diversify its business segments.

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Commenting on the business outlook, **Mr. Jiang Zhong Ping, Chairman and Acting Chief Executive Officer of China VTM Mining** said, “Although the continual infrastructure expenditure under the Belt and Road Initiative and moderate fiscal stimulus plans may lead to higher demand for steel, the Group cautions that unless higher demand for steel is supported by a sustained fundamental need, such pickup may fade. The Group believes that judicious management in its mining resources, upgrading of skills and expanding revenue stream shall take priority in keeping shareholders of the Company comfortable. In doing so, the Group guards against market risks, keeps up on policy changes and strives to remain adaptive in this dynamic business environment.”

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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 and ore processing, sale of self-produced products, trading of iron products, coals and steels, and management of strategic investments.

The Group currently owns the Baicao mine, the Xiushuihe mine, the Yangqueqing mine, the Cizhuqing mine, the Maoling-Yanglongshan mine, the Haibaodang mine and the Shigou gypsum mine. Furthermore, the Group owns the Baicao processing plant, the Xiushuihe processing plant, the Hailong processing plant, the Heigutian processing plant and the iron pelletising plant in the Panxi region, and also owns the Maoling processing plant in the Aba prefecture.

As at 30 June 2017, the Group’s annual 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.

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

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