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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board wishes to highlight to the Shareholders and potential investors of the Company that the market conditions, under which the Group operates, remain weak. As reported in the 2015 interim report of the Company, the Company recorded a Net Loss of approximately RMB865.5 million for 1H2015.

The Board needs to further highlight that the Company expects to record a Net Loss of approximately RMB234.5 million for 2H2015, which is lower than the Net Loss recorded in 1H2015, based on the initial assessment of the Group's unaudited management accounts.

Based on the estimated results for 2H2015, the Company expects to record a total Net Loss of approximately RMB1,100.0 million for FY2015. Despite results improvement in 2H2015 as compared to 1H2015, the total Net Loss for FY2015 is expected to be significantly higher than the Net Loss of approximately RMB366.4 million for the corresponding period in 2014.

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

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 the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to highlight to the shareholders (the “**Shareholders**”) and potential investors of the Company that the market conditions, under which the Group operates, remain weak. As reported in the 2015 interim report of the Company, the Company recorded a loss and total comprehensive loss attributable to owners of the Company (“**Net Loss**”) of approximately RMB865.5 million for the six months ended 30 June 2015 (“**1H2015**”). The Board further wishes to highlight that the Company expects to record a Net Loss of approximately RMB234.5 million for the six months ended 31 December 2015 (“**2H2015**”) based on the initial assessment of the Group’s unaudited management accounts.

As guided in the Strategic Review and Business Update of the Company dated 24 June 2015, the market demand for iron ore products remained weak, selling prices for its products have fallen, costs for its operations have escalated, the plants’ utilisation rates have been low and its distribution business has also been adversely affected. The management of the Company has taken various measures to control costs and streamline operations in order to cope with the challenging operating environment amid market uncertainty.

Given the above-mentioned, the Company expects its full year financial performance for the year ended 31 December 2015 (“**FY2015**”) to remain weak due mainly to (i) higher operating loss that arose from lower output and lower revenue; and (ii) significant assets impairment losses from falling fair value and/or value in use of its key operating assets and investments, despite a lower estimated Net Loss for 2H2015 as compared to 1H2015. Hence, the Company expects to record a Net Loss of approximately RMB1,100.0 million for FY2015 based on the initial assessment of the Group’s unaudited management accounts, which is significantly higher compared to the Net Loss of approximately RMB366.4 million for the corresponding period in 2014.

The Group had previously engaged an independent valuer to conduct a valuation exercise on its financial assets as at 30 June 2015 and has since engaged the valuer to provide an update on the valuation for the related financial assets as at 31 December 2015. Should the independent valuer determine that the updated fair value loss is higher than that of the initial assessment of the Group’s unaudited management accounts, the amount of Net Loss of the Company for FY2015 will be higher.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available including the latest unaudited management accounts of the Group, which have not been audited or reviewed by the Company’s auditors. As at the date of this announcement, the Group’s results for FY2015 have not yet been finalised, and are subject to necessary adjustments. Further details of the Group’s financial information will be disclosed as and when the audited annual results of the Group for FY2015 are announced on 21 March 2016.

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
Jiang Zhong Ping
Chairman and Acting Chief Executive Officer

Hong Kong, 8 March 2016

As at the date of this announcement, the Board comprises Mr. Jiang Zhong Ping (Chairman and Acting Chief Executive Officer) and Mr. Zheng Zhiquan as executive directors; and Mr. Yu Haizong, Mr. Liu Yi and Mr. Wu Wen as independent non-executive directors.