China Vanadium Titano-Magnetite Mining Company Limited
中國釩鈦磁鐵礦業有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00893)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

For the Reporting Period:

- the Continuing Operations recorded lower Net Loss of RMB1.8 million for 1H2021 (1H2020: RMB5.4 million), including expenses for its corporate functions, despite the temporary suspension of operations at the Maoling Mine during the second half of June 2021; and

- the Discontinued Operations recorded lower Net Loss of RMB5.0 million for 1H2021 (1H2020: RMB13.7 million) which had been disposed of on 31 July 2021.

Combining the above, the Group reported significantly lower Net Loss of RMB6.8 million for 1H2021 (1H2020: RMB19.1 million).

The basic and diluted loss per Share attributable to ordinary equity holders of the Company was approximately RMB0.003 for 1H2021 (1H2020: RMB0.01).

The Board does not recommend the payment of an interim dividend for 1H2021 (1H2020: Nil).

The Board hereby announces the unaudited interim condensed financial information of the Group for the Reporting Period together with the comparative information for the corresponding period as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	**For the six months ended 30 June 2021** *RMB'000* **(Unaudited)**	2020 *RMB'000* (Unaudited) (Re-presented)
CONTINUING OPERATIONS			
REVENUE	*4*	**246,270**	144,869
Cost of sales		**(236,008)**	(135,354)
Gross profit		**10,262**	9,515
Other income and gains	*5*	**2,121**	674
Selling and distribution expenses		**(209)**	(2,697)
Administrative expenses		**(8,905)**	(11,729)
Other expenses		**(1,278)**	(1,338)
Reversal of/(provision for) impairment losses on trade receivables, net	*7*	**241**	(307)
Finance costs	*6*	**(2,377)**	(2,470)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	*7*	**(145)**	(8,352)
Income tax credit/(expense)	*8*	**(1,313)**	2,633
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(1,458)**	(5,719)
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation	*9*	**(6,162)**	(16,873)
LOSS FOR THE PERIOD		**(7,620)**	(22,592)

	Notes	For the six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited) (Re-presented)
OTHER COMPREHENSIVE INCOME:			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**542**	467
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(7,078)**	(22,125)
Loss attributable to:			
Owners of the Company		**(6,773)**	(19,115)
Non-controlling interests		**(847)**	(3,477)
		(7,620)	(22,592)
Total comprehensive loss attributable to:			
Owners of the Company		**(6,335)**	(18,737)
Non-controlling interests		**(743)**	(3,388)
		(7,078)	(22,125)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted			
– For loss for the period	*10*	**RMB(0.003)**	RMB(0.008)
– For loss from continuing operations	*10*	**RMB(0.001)**	RMB(0.002)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	**30 June 2021** ***RMB'000*** **(Unaudited)**	31 December 2020 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**161,079**	155,431
Right-of-use assets	*13(a)*	**2,276**	6,909
Intangible assets	*12*	**735,309**	735,603
Prepayments, other receivables and other assets	*14*	**972**	966
Deferred tax assets	*15*	**14,719**	14,824
Total non-current assets		**914,355**	913,733
CURRENT ASSETS			
Inventories		**9,360**	5,814
Trade and bills receivables	*16*	**366,481**	181,760
Prepayments, other receivables and other assets	*14*	**4,757**	4,693
Due from related parties		**8,950**	8,929
Pledged deposits		**25**	328
Cash and cash equivalents		**2,618**	32,645
		392,191	234,169
Assets of a disposal group classified as held for sale	*9*	**67,449**	77,730
Total current assets		**459,640**	311,899
CURRENT LIABILITIES			
Trade and bills payables	*17*	**195,630**	30,493
Contract liabilities	*18*	**2,048**	2,277
Other payables and accruals		**60,231**	63,254
Interest-bearing bank and other loans	*19*	**86,745**	84,735
Due to related parties		**5,122**	3,868
Tax payable		**9,558**	11,266
Lease liabilities	*13(b)*	**1,062**	3,945
		360,396	199,838
Liabilities directly associated with the assets classified as held for sale	*9*	**80,095**	84,990
Total current liabilities		**440,491**	284,828

	Notes	**30 June 2021** *RMB'000* **(Unaudited)**	31 December 2020 *RMB'000*
NET CURRENT ASSETS		**19,149**	27,071
TOTAL ASSETS LESS CURRENT LIABILITIES		**933,504**	940,804
NON-CURRENT LIABILITIES			
Provision for rehabilitation		**14,078**	13,654
Lease liabilities	*13(b)*	**2,672**	3,318
Due to related parties		**7,680**	7,680
Other payables		**700**	700
Total non-current liabilities		**25,130**	25,352
Net assets		**908,374**	915,452
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*20*	**197,889**	197,889
Reserves		**422,027**	428,362
		619,916	626,251
Non-controlling interests		**288,458**	289,201
Total equity		**908,374**	915,452

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

For the six months ended 30 June 2021

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 28 April 2008 under the Companies Law. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

During the six months ended 30 June 2021 (the "Reporting Period"), the Group was principally engaged in the following principal activities:

- mining and ore processing
- sale of self-produced products
- trading of steels
- management of strategic investments

In the opinion of the Directors, Trisonic International, a company incorporated in Hong Kong, is the parent and ultimate holding company of the Company.

On 30 June 2021, the Company entered into a sales and purchase agreement (the "SPA") with PT. Hay Wei Feng Yuan Mining (the "Purchaser") in respect of the disposal of 81% equity interests in Mancala Holdings Limited (together with its subsidiaries, hereinafter collectively referred to as "Mancala Group" or the "Disposal Group"). The disposal was completed on 31 July 2021. Refer to notes 9 and 22 to interim condensed financial information for further details of the disposal.

2.1 BASIS OF PREPARATION

The interim condensed financial information for the six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The interim condensed financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised standards, interpretations and amendments to a number of International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board for the first time for the current period's financial information.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

    The Group had certain interest-bearing bank loans denominated in RMB based on the China Loan Prime Rate as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the Reporting Period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the "economically equivalent" criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

(b) Amendment to IFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

    The Group has early adopted the amendment on 1 January 2021 and applied the practical expedient during the period ended 30 June 2021 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the covid-19 pandemic. There is no reduction in the lease payments of the Group arising from the rent concessions for the Reporting Period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has three (six months ended 30 June 2020: four; year ended 31 December 2020: three) reportable operating segments as follows:

(a) the high-Fe mining operation segment comprises the operation of sale of self-produced high-grade iron concentrates within the range of 65% TFe to 72% TFe;

(b) the trading segment comprises the operation of sale of traded products; and

(c) the corporate and others segment covers the non-operating activities supporting the Group which includes the central functions such as the functional costs that have not been allocated to the other segments.

The Directors monitor the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that other income, other expenses and non-lease-related finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings and tax payable as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Six months ended 30 June 2021

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment revenue *(note 4)*				
Sales to external customers	**25,551**	**220,719**	**–**	**246,270**
Revenue from continuing operations				**246,270**
Segment results	**3,001**	**2,420**	**(4,172)**	**1,249**
Reconciliation:				
Other income				**2,121**
Other expenses				**(1,278)**
Finance costs (other than interest on lease liabilities)				**(2,237)**
Loss before tax from continuing operations				**(145)**
Segment assets	**371,834**	**360,155**	**718,709**	**1,450,698**
Reconciliation:				
Elimination of intersegment receivables				**(161,514)**
Deferred tax assets				**14,719**
Cash and cash equivalents				**2,618**
Pledged deposits				**25**
Assets related to a discontinued operation				**67,449**
Total assets				**1,373,995**
Segment liabilities	**58,107**	**334,717**	**57,913**	**450,737**
Elimination of intersegment payables				**(161,514)**
Interest-bearing bank and other loans				**86,745**
Tax payable				**9,558**
Liabilities related to a discontinued operation				**80,095**
Total liabilities				**465,621**
Other segment information				
Reversal of impairment losses on trade receivables, net *(note 7)*	**(124)**	**(117)**	**–**	**(241)**
Depreciation and amortisation *(note 7)*	**4,720**	**–**	**323**	**5,043**
Capital expenditure**(note 11)*	**9,223**	**–**	**4**	**9,227**

* *Capital expenditure consists of additions to property, plant and equipment.*

Six months ended 30 June 2020 (re-presented)

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment revenue *(note 4)*				
Sales to external customers	25,587	119,282	–	144,869
Intersegment sales	–	–	774	774
	25,587	119,282	774	145,643
Reconciliation:				
Elimination of intersegment sales				(774)
Revenue from continuing operations				144,869
Segment results	303	1,952	(7,658)	(5,403)
Reconciliation:				
Other income				674
Other expenses				(1,338)
Finance costs (other than interest on lease liabilities)				(2,285)
Loss before tax from continuing operations				(8,352)
Other segment information				
Impairment losses on trade receivables, net *(note 7)*	72	235	–	307
Depreciation and amortisation *(note 7)*	4,562	3	518	5,083
Capital expenditure*	1,998	–	215	2,213

* *Capital expenditure consists of additions to property, plant and equipment.*

As at 31 December 2020

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment assets	342,802	169,684	723,016	1,235,502
Reconciliation:				
Elimination of intersegment receivables				(135,397)
Deferred tax assets				14,824
Cash and cash equivalents				32,645
Pledged deposits				328
Assets related to a discontinued operation				77,730
Total assets				1,225,632
Segment liabilities	61,550	143,161	59,875	264,586
Elimination of intersegment payables				(135,397)
Interest-bearing bank and other loans				84,735
Tax payable				11,266
Liabilities related to a discontinued operation				84,990
Total liabilities				310,180

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June			
	2021		2020	
	RMB'000 **(Unaudited)**	*%*	*RMB'000* (Unaudited) (Re-presented)	*%*
Revenue from contracts with customers				
Sale of industrial products:				
High-grade iron concentrates	**25,551**	**10.4**	21,530	14.9
Steels	**220,719**	**89.6**	119,282	82.3
Rendering of consultancy and management services	**–**	**–**	4,057	2.8
	246,270	**100.0**	144,869	100.0

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2021

	High-Fe mining operation *RMB'000*	**Trading** *RMB'000*	**Corporate and others** *RMB'000*	**Total** *RMB'000*
Segments				
Types of goods or services				
High-grade iron concentrates	**25,551**	**–**	**–**	**25,551**
Trading of steels	**–**	**220,719**	**–**	**220,719**
Total revenue from contracts with customers	**25,551**	**220,719**	**–**	**246,270**
Geographical markets				
Mainland China	**25,551**	**220,719**	**–**	**246,270**
Total revenue from contracts with customers	**25,551**	**220,719**	**–**	**246,270**
Time of revenue recognition				
Goods transferred at a point in time	**25,551**	**220,719**	**–**	**246,270**
Total revenue from contracts with customers	**25,551**	**220,719**	**–**	**246,270**

For the six months ended 30 June 2020 (re-presented)

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segments				
Types of goods or services				
High-grade iron concentrates	21,530	–	–	21,530
Trading of steels	–	119,282	–	119,282
Rendering of consultancy and management services	4,057	–	–	4,057
Total revenue from contracts with customers	25,587	119,282	–	144,869
Geographical markets				
Mainland China	25,587	119,282	–	144,869
Total revenue from contracts with customers	25,587	119,282	–	144,869
Time of revenue recognition				
Goods transferred at a point in time	21,530	119,282	–	140,812
Services transferred over time	4,057	–	–	4,057
Total revenue from contracts with customers	25,587	119,282	–	144,869

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in segment information:

For the six months ended 30 June 2021

	High-Fe mining operation *RMB'000*	**Trading** *RMB'000*	**Corporate and others** *RMB'000*	**Total** *RMB'000*
Segments				
Revenue from contracts with customers				
External customers	**25,551**	**220,719**	**–**	**246,270**
Total revenue from contracts with customers	**25,551**	**220,719**	**–**	**246,270**

For the six months ended 30 June 2020 (re-presented)

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segments				
Revenue from contracts with customers				
External customers	25,587	119,282	–	144,869
Intersegment sales	–	–	774	774
	25,587	119,282	774	145,643
Intersegment adjustments and eliminations	–	–	(774)	(774)
Total revenue from contracts with customers	25,587	119,282	–	144,869

5. OTHER INCOME AND GAINS

An analysis of other income and gains was as follows:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Other income		
Bank interest income	**5**	5
Government grants	**–**	41
Sale of raw materials	**1,260**	620
Miscellaneous	**47**	8
	1,312	674
Gains		
Gain on debt restructuring	**809**	–
Total other income and gains	**2,121**	674

6. FINANCE COSTS

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Interest on bank and other loans	**1,813**	1,842
Interest on lease liabilities *(note 13(b))*	**140**	185
Interest on discounted bills receivable *(note 16)*	**–**	40
Unwinding of discount on provision	**424**	403
	2,377	2,470

7. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations was arrived at after charging/(crediting):

		For the six months ended 30 June	
		2021	2020
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited) (Re-represented)
Cost of inventories sold		**236,008**	135,354
Employee benefit expense (including Directors' and chief executive's remuneration):			
Wages and salaries		**5,701**	6,204
Welfare and other benefits		**381**	274
Pension scheme contributions			
– Defined contribution fund		**940**	335
Housing fund			
– Defined contribution fund		**140**	147
Total employee benefit expenses		**7,162**	6,960
Depreciation of property, plant and equipment	*11*	**3,519**	3,319
Depreciation of right-of-use assets	*13(c)*	**1,230**	1,451
Amortisation of intangible assets	*12*	**294**	313
Depreciation and amortisation expenses		**5,043**	5,083
Provision for/(reversal of) impairment losses on trade receivables, net	*16*	**(241)**	307
Lease payments not included in the measurement of lease liabilities	*13(c)*	**287**	73
Auditor's remuneration		**600**	600
Loss on disposal of property, plant and equipment		**6**	–
Foreign exchange loss, net		**(43)**	(294)

8. INCOME TAX CREDIT/(EXPENSE)

All subsidiaries domiciled in the PRC are subject to the PRC corporate income tax rate of 25% during the Reporting Period. Pursuant to the income tax rules and regulations in Australia, the Group's subsidiaries located in Australia are liable to Australia corporate income tax at a rate of 30% on the assessable profits generated for the Reporting Period. Pursuant to the income tax rules and regulations in Singapore, the Group's subsidiary located in Singapore is liable to Singapore corporate income tax at a rate of 17% on the assessable profits generated for the Reporting Period. Pursuant to the income tax rules and regulations in Hong Kong, the Group's subsidiaries located in Hong Kong are liable to the corporate income tax at a rate of 16.5% on the assessable profits generated for the Reporting Period.

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-represented)
Current – continuing operations		
Charge for the period	**1,208**	534
Deferred – continuing operations	**105**	(3,167)
	1,313	(2,633)
Total tax charge/(credit) for the period from continuing operations	**1,313**	(2,633)
Total tax charge for the period from a discontinued operation	**–**	–
	1,313	(2,633)

9. DISCONTINUED OPERATION

The Disposal Group is mainly engaged in specialised mining services in Australia. Pursuant to a board resolution dated 18 December 2020, the Group has decided to dispose its specialised mining services business due to its plans to focus its resources on its high-Fe mining operation and trading business mainly located in Mainland China. On 30 June 2021, the Company entered into the SPA with the Purchaser, to dispose 81% equity stake in Mancala Holdings Limited at a consideration of AUD1,500,000. The transaction subsequently completed on 31 July 2021. As such, the results and cash flows of the Disposal Group have been presented as a discontinued operation for the period ended 30 June 2021 and the comparative results and cash flows has been re-presented in accordance with IFRS 5. With the Disposal Group being classified as a discontinued operation, the specialised mining services are no longer included in the note 3 for operating segment information.

The results of the Disposal Group for the periods are presented below:

	Notes	For the six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited) (Re-represented)
REVENUE		**38,124**	36,274
Cost of sales		**(33,550)**	(31,822)
Gross profit		**4,574**	4,452
Other income and gains		**1,607**	1,281
Administrative expenses		**(11,041)**	(8,772)
Other expenses		**(932)**	(91)
Impairment losses on property, plant and equipment	*(a)*	**–**	(11,468)
Impairment losses on other intangible asset	*(a)*	**–**	(129)
Provision of impairment losses on trade receivables, net		**–**	(121)
Impairment losses on right-of-use assets	*(a)*	**–**	(390)
Impairment losses on assets classified as held for sale	*(b)*	**–**	(1,601)
Finance costs		**(370)**	(34)
Loss before tax from the discontinued operation		**(6,162)**	(16,873)
Income tax expense		**–**	–
LOSS FOR THE PERIOD FROM THE DISCONTINUED OPERATION		**(6,162)**	(16,873)

Notes:

(a) In accordance with the Group's accounting policies, each asset or cash-generating unit ("CGU") is evaluated annually at 31 December or biannually at 30 June to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed. As at 30 June 2021, the Disposal Group has been classified as held for sale, and the depreciation of such assets is discontinued and impairment test under IAS 36 is not applicable.

For the period ended 30 June 2020, in assessing whether an impairment is required, the carrying amount of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and value in use ("VIU"). Management has performed impairment assessment on all the carrying amounts of the Group's property, plant and equipment, other intangible asset and right-of-use assets. For the purpose of impairment assessment, Specialised Mining Services CGU (comprising the property, plant and equipment, the right-of-use assets of Mancala Group and the brand name) is treated as a separate CGU. The recoverable amount of the Specialised Mining Services CGU was estimated based on its VIU determined by discounting the future cash flows to be generated from the continuing use of these assets. The recoverable amount is determined based on the calculation using cash flow projections according to financial budgets covering a one-year period approved by management with pre-tax discount rate of 13.84%. The cash flows beyond the three-year period were extrapolated using a growth rate of 2.58%, which was referred to the growth rate of the gross domestic product in Australia for the past ten years.

Other key assumptions used in the estimation of VIU are as follows:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the last ten year before the budget year.

Revenue growth – The basis used to determine the value assigned to the revenue growth rate is the growth of the gross domestic product during the last ten years before the budget year for Australia from where the revenue is mainly generated.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to key assumptions are consistent with external information sources.

Based on the above-mentioned impairment assessment, the recoverable amounts, carrying amounts as at 30 June 2020 and impairment provisions for period ended 30 June 2020 are as follows:

	Recoverable amount *RMB'000*	**Carrying amount** *RMB'000*	**Impairment provision** *RMB'000*
Specialised Mining Services CGU	27,176	39,163	11,987

The above impairment provisions as at 30 June 2020 have been allocated to the following asset classes.

Impairment loss recognised on property, plant and equipment

An impairment loss of RMB11,468,000 was recognised during the six months ended 30 June 2020 to write down the carrying amounts of Mancala Group's property, plant and equipment to their respective recoverable amounts of RMB26,283,000 as at 30 June 2020.

Impairment loss recognised on right-of-use assets

An impairment loss of RMB390,000 was recognised during the six months ended 30 June 2020 to write down the carrying amounts of right-of-use assets of Mancala Group to their respective recoverable amounts of RMB893,000 as at 30 June 2020.

Impairment loss recognised on other intangible asset

An impairment loss of RMB129,000 was recognised during the six months ended 30 June 2020 to write down the carrying amount of the brand name of Mancala Group to the recoverable amount of Nil as at 30 June 2020.

The impairment loss arising from Mancala Group was mainly due to the challenging outlook on macro-environment and weaker market sentiment given the increase in risk and uncertainty. The business plan was adjusted correspondingly to reflect the recoverable amount which consequently led to impairment.

(b) Held for sale assets comprised part of plant and equipment of Mancala Group which would not be utilised in the current operation. Mancala Group measured the assets held for sale at the lower of its carrying amount and fair value less costs to sell. An impairment loss of RMB1,601,000 was recognised during the six months ended 30 June 2020 to write down the carrying amounts of assets held for sale to its respective recoverable amounts of RMB34,775,000 as at 30 June 2020.

The major classes of assets and liabilities of the Disposal Group as at 31 December 2020 and 30 June 2021 are as follows:

	30 June 2021 *RMB'000* **(Unaudited)**	31 December 2020 *RMB'000*
ASSETS		
Property, plant and equipment	**20,508**	20,819
Right-of-use assets	**1,134**	547
Inventories	**12,394**	12,704
Trade receivables	**8,158**	796
Prepayments, other receivables and other assets	**4,491**	5,290
Contract assets	**2,300**	5,260
Cash and cash equivalents	**1,698**	14,528
Assets classified as held for sale	**16,766**	17,786
Assets of a disposal group classified as held for sale	**67,449**	77,730
LIABILITIES		
Trade payables	**14,971**	22,544
Other payables and accruals	**36,477**	31,919
Interest-bearing bank and other loans	**16,332**	18,099
Due to related parties	**11,389**	11,772
Lease liabilities	**926**	656
Liabilities directly associated with the assets classified as held for sale	**80,095**	84,990
Net liabilities directly associated with the Disposal Group	**(12,646)**	(7,260)

The net cash flows incurred by the Disposal Group for the six months ended 30 June 2021 and 2020 are as follows:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Operating activities	**(13,180)**	(763)
Investing activities	**762**	1,027
Financing activities	**(412)**	(300)
Net cash outflow	**(12,830)**	(36)

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss per share:		
Basic and diluted, from the Disposal Group	**RMB(0.002)**	RMB(0.006)

The calculations of basic and diluted loss per share from the discontinued operation are based on:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the Company from the discontinued operation	**(4,991)**	(13,667)
Weighted average number of ordinary shares used in the basic and diluted loss per share calculation *(note 20)*	**2,249,015,410**	2,249,015,410

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of loss per share is based on the loss attributable to owners of the Company for the Reporting Period of RMB6,773,000 (six months ended 30 June 2020: RMB19,115,000), and the weighted average number of shares of 2,249,015,410 (six months ended 30 June 2020: 2,249,015,410) in issue for the Reporting Period.

No adjustment has been made to the basic earnings per share amounts presented for each of the six months ended 30 June 2020 and 2021 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares during each of the six months ended 30 June 2020 and 2021.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Mining infrastructure *RMB'000*	Construction in progress ("CIP") *RMB'000*	Total *RMB'000*
Cost:							
At 1 January 2021	40,439	31,184	613	2,403	139,871	42,958	257,468
Additions *(note 3)*	17	180	6	345	–	8,679	9,227
Disposals	–	–	–	(1,082)	–	–	(1,082)
Transferred from CIP	323	1,615	–	–	–	(1,938)	–
At 30 June 2021	40,779	32,979	619	1,666	139,871	49,699	265,613
Accumulated depreciation and impairment:							
At 1 January 2021	22,376	19,728	427	2,196	55,822	1,488	102,037
Provided for the period from continuing operations *(note 7)*	730	783	24	42	1,940	–	3,519
Disposals	–	–	–	(1,022)	–	–	(1,022)
At 30 June 2021	23,106	20,511	451	1,216	57,762	1,488	104,534
Net carrying amount:							
At 1 January 2021	18,063	11,456	186	207	84,049	41,470	155,431
At 30 June 2021 (unaudited)	17,673	12,468	168	450	82,109	48,211	161,079

12. INTANGIBLE ASSETS

	Mining rights *RMB'000*	Exploration rights and assets *RMB'000*	Total *RMB'000*
Cost:			
At 1 January and 31 December 2020	800,295	65,991	866,286
Accumulated amortisation and impairment:			
At 1 January 2021	130,683	–	130,683
Amortisation provided during the period *(note 7)*	294	–	294
At 30 June 2021	130,977	–	130,977
Net carrying amount:			
At 1 January 2021	669,612	65,991	735,603
At 30 June 2021 (unaudited)	669,318	65,991	735,309

As at 30 June 2021, the mining rights of Maoling Mine with a net carrying amount of RMB19,609,000 (31 December 2020: RMB19,903,000) were pledged to secure the Group's bank loans (note 19(a)).

13. LEASES

The Group as a lessee

The Group has lease contracts for office premises and various items of plant and machinery used in its operations. Leases of office premises have lease terms between 1 year and 3 years. Leases of plant and machinery generally have lease term of 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Reporting Period are as follows:

	Office premises *RMB'000*	**Plant and machinery** *RMB'000*	**Total** *RMB'000*
As at 1 January 2021	572	6,337	6,909
Decrease as a result of lease modifications	(169)	(3,234)	(3,403)
Depreciation charged in continuing operations *(note 7)*	(269)	(961)	(1,230)
As at 30 June 2021 (unaudited)	134	2,142	2,276

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Reporting Period are as follows:

	RMB'000
Carrying amount at 1 January 2021	7,263
Accretion of interest recognised during the period from continuing operations *(note 6)*	140
Decrease as a result of lease modifications	(3,366)
Payments from continuing operations	(303)
Carrying amount at 30 June 2021	3,734
Analysed into:	
Current portion	1,062
Non-current portion	2,672

The total cash outflow for leases included in the statement of cash flows is within financing activities.

(c) The amounts recognised in profit or loss from continuing operations in relation to leases are as follows:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities *(note 6)*	**140**	185
Depreciation charge of right-of-use assets *(note 13(a))*	**1,230**	1,451
Expense relating to short-term leases *(note 7)* (included in administrative expenses)	**287**	73
Total amount recognised in profit or loss from continuing operations	**1,657**	1,709

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2021	31 December 2020
	RMB'000	*RMB'000*
	(Unaudited)	
Current portion:		
Prepayments consisting of:		
Purchase of raw materials and services	**269**	705
Utilities	**249**	220
Prepayment for the use right of a road	**47**	47
Other prepayments	**1,216**	1,208
Other receivables consisting of:		
Deductible value added tax input	**1,178**	1,708
Other receivables	**2,402**	1,409
	5,361	5,297
Impairment allowance	**(604)**	(604)
	4,757	4,693
Non-current portion:		
Prepayment for the use right of a road	**520**	538
Long-term deposits	**452**	428
	972	966
	5,729	5,659

15. DEFERRED TAX ASSETS

The movements in deferred tax assets during the six months ended 30 June 2020 and 2021 are as follows:

	Losses available for offsetting against taxable profits *RMB'000*	Excess tax depreciation over book value of fixed assets *RMB'000*	Provision for rehabilitation *RMB'000*	Provision for impairment *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2020	3,799	5,640	331	2,275	738	12,783
Deferred tax credited/(charged) to profit or loss during the period	3,144	(130)	144	9	–	3,167
Deferred tax assets at 30 June 2020 (unaudited)	6,943	5,510	475	2,284	738	15,950
At 1 January 2021	**5,780**	**5,301**	**679**	**2,235**	**829**	**14,824**
Deferred tax credited/(charged) to profit or loss during the period	**(134)**	**(160)**	**154**	**47**	**(12)**	**(105)**
Deferred tax assets at 30 June 2021 (unaudited)	**5,646**	**5,141**	**833**	**2,282**	**817**	**14,719**

As at 30 June 2021, the Group had accumulated tax losses arising from Mainland China of RMB1,051,187,000 (31 December 2020: RMB1,051,268,000) that would expire in one to five years and deductible temporary differences of RMB119,120,000 (31 December 2020: RMB119,234,000) that were available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

16. TRADE AND BILLS RECEIVABLES

	30 June 2021 ***RMB'000*** **(Unaudited)**	31 December 2020 *RMB'000*
Trade receivables	**377,264**	187,702
Impairment	**(11,093)**	(11,334)
Trade receivables, net of impairment	**366,171**	176,368
Bills receivable	**310**	5,392
	366,481	181,760

The Group's trading terms with its customers are mainly on credit. During the Reporting Period, the Group granted credit terms ranging from one to nine months to its customers for sale of self-produced products and a credit term of six months to its trading customers. Trade receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the date of revenue recognised and net of loss allowance, is as follows:

	30 June 2021	31 December 2020
	RMB'000	*RMB'000*
	(Unaudited)	
Within 3 months	**252,312**	176,368
3 to 6 months	**109,031**	–
6 to 9 months	**4,828**	–
	366,171	176,368

The movements in the loss allowance for impairment of trade receivables are as follows:

	RMB'000
As at 1 January 2020	12,813
Reversal of impairment losses, net	(1,479)
As at 31 December 2020	11,334
As at 1 January 2021	11,334
Reversal of impairment losses, net *(note 7)*	(241)
As at 30 June 2021 (unaudited)	11,093

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2021

	Current	**Past due**	**Total**
Expected credit loss rate	**1.05%**	**100%**	
Gross carrying amount *(RMB'000)*	**370,060**	**7,204**	**377,264**
Expected credit losses *(RMB'000)*	**3,889**	**7,204**	**11,093**

As at 31 December 2020

	Current	Past due	Total
Expected credit loss rate	2.29%	100%	
Gross carrying amount *(RMB'000)*	180,498	7,204	187,702
Expected credit losses *(RMB'000)*	4,130	7,204	11,334

As at 30 June 2021, the Group endorsed certain bills receivable accepted by banks in the PRC to certain of its suppliers in order to settle the trade payables to these suppliers with a carrying amount in aggregate of RMB11,042,000 (31 December 2020: RMB178,896,000) (the "Derecognised Bills"). The Derecognised Bills had a maturity of three to six months at the end of the Reporting Period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated advances on discounting and trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills equals to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the Reporting Period, the Group did not discount bills receivable. During the six months ended 30 June 2020, the interest expense recognised on discounted bills receivable was RMB40,000 (note 6). No gains or losses were recognised from the Continuing Involvement, both during the Reporting Period or cumulatively. The endorsement has been made evenly throughout the Reporting Period.

17. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables of the Group as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

	30 June 2021 *RMB'000* **(Unaudited)**	31 December 2020 *RMB'000*
Within 180 days	**189,796**	24,664
181 to 365 days	**4,173**	1,001
1 to 2 years	**687**	766
2 to 3 years	**279**	203
Over 3 years	**695**	3,859
	195,630	30,493

Trade payables of the Group are non-interest-bearing and are normally settled within 180 days.

18. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 December 2020 and 30 June 2021. The balance of contract liabilities is expected to be recovered/settled within one year.

Movement in the contract liabilities balances during the Reporting Period is as follows:

	RMB'000
Carrying amount at 1 January 2021	2,277
Revenue recognised during the Reporting Period	(2,277)
Consideration received from customers, excluding amounts recognised as revenue during the Reporting Period	2,048
Carrying amount at 30 June 2021 (unaudited)	2,048

19. INTEREST-BEARING BANK AND OTHER LOANS

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000
Bank loans – Secured	*(a)*	**79,615**	79,615
Other loans – Unsecured	*(b)*	**7,130**	–
Other loan – Secured	*(c)*	**–**	5,120
		86,745	84,735
Current		**(86,745)**	(84,735)
Non-current		**–**	–
Analysed into:			
Bank loans repayable:			
Within one year or on demand		**79,615**	79,615
Other loans repayable:			
Within one year or on demand		**7,130**	5,120
		86,745	84,735

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000
Bank loans	**4.35%**	4.35%
Other loans	**6.50%-8.00%**	5.51%

Notes:

(a) As at 30 June 2021, the outstanding bank loans of RMB79,615,000 (31 December 2020: RMB79,615,000) were secured by mining rights of Maoling Mine.

(b) The balance as at 30 June 2021 mainly consist of short-term loans granted by a third party to Aba Mining at the annual interest rates ranging from 6.50% to 8.00%. These loans were unsecured with repayment terms ranging from five months to six months.

(c) The balance as at 31 December 2020 pertains to a short-term loan granted by a third party to Aba Mining at the annual interest rate of 5.51%. The loan was secured by bills receivable of RMB5,120,000 and repaid on 29 April 2021.

20. ISSUED CAPITAL

Shares

	30 June 2021 *RMB'000* **(Unaudited)**	31 December 2020 *RMB'000*
Authorised:		
10,000,000,000 Shares of HKD0.1 each	**880,890**	880,890
Issued and fully paid:		
2,249,015,410 (31 December 2020: 2,249,015,410) Shares of HKD0.1 each	**197,889**	197,889

A summary of movement in the Company's share capital is as follows:

	Number of Shares in issue	**Issued capital** *RMB'000*
At 1 January 2021 and 30 June 2021	2,249,015,410	197,889

21. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 June 2020: Nil).

22. EVENTS AFTER THE REPORTING PERIOD

As mentioned in notes 1 and 9, on 30 June 2021, the Company entered into the SPA in respect of the disposal of the Disposal Group with the Purchaser. Upon the completion of the disposal on 31 July 2021, the Disposal Group has ceased to be the subsidiaries of the Company.

For details of the disposal, please refer to the Company's announcements dated 30 June 2021 and 1 August 2021, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the Reporting Period, the Group observed the following macro environment, industrial development and market statistics:

- while COVID-19 vaccination drives have been launched in various countries across the globe since late 2020, variants of the virus in varying degrees of ferocity continued to pose threats to the containment of the COVID-19 pandemic in 2021, hindering the resumption of normalcy and delaying global economic recovery. More recently, the upsurge of COVID-19 variant cases reported in several provinces in China has sparked lockdowns, mass testing and travel restrictions again but the Chinese health officials believe that the risk is generally controllable;

- meanwhile, in China, the economy and the manufacturing sector have largely recovered during the period under review. According to the National Bureau of Statistics of the PRC, China's gross domestic product ("GDP") grew by 18.3% year-on-year in the first quarter of 2021, but only 0.6% as compared to the fourth quarter of 2020. The particularly high year-on-year GDP growth percentage in the first quarter of 2021 was mainly due to sharp recovery from the relatively lower base in the first quarter of 2020 as a result of the COVID-19-induced lockdown and loss of productivity during that period. As such, we believe that the quarter-on-quarter growth rate would be more representative of the slowed domestic consumption and peaked manufacturing activities, after the business activities rebound since the second quarter of 2020;

- nevertheless, the GDP growth forecast for China in 2021 is very strong. The World Bank has projected in June 2021 a GDP growth rate of 8.5% in 2021 for China, which is driven by rising consumer demand. However, the recent COVID-19 resurgence could disrupt the economic activity and undermine the jagged pace of recovery;

- trade and diplomatic conflicts between China and Australia further escalated in 1H2021, with the two sides engaging in tit-for-tat retaliations, including Australia's cancelling of an agreement between the state of Victoria with China under the Belt and Road Initiative in April 2021, and China announcing in May 2021 to suspend trade talks with Australia indefinitely. While Australian iron ore export remained the largest single item in trade between China and Australia, China has been planning to reduce its reliance on Australian iron ore by diversifying its imports, such as to increase supply from other countries such as Brazil. For the first four months of 2021, Australian iron ore constituted 60.0% of total iron ore imports to China, dropping from 60.9% in 2020. In the current trajectory, there is little sign of the trade and diplomatic tensions easing between China and Australia;

- as for the mining industry, bolstered by consistent fiscal stimulus policies and infrastructure spending, every aspect of the steel supply chain in China – from upstream to downstream and from price to volume – has surged in the first half of 2021. Domestic production of crude iron ore was on a strong upward trajectory, growing by double-digit percentages month-on-month throughout the first half of the year, reaching a historic high of 87.6 Mt in May 2021;

- likewise, although cutting overcapacity remained a government-directed industry goal, crude steel production has been on an uptrend, breaking the previous output volume record in August 2020 of 94.9 Mt, consecutively in April and May 2021 with volumes of 97.9 Mt and 99.5 Mt, respectively. The output volume for the first quarter of 2021 registered an increase of 17.3% and 15.6% as compared with that of 2019 and 2020, respectively;

- to a certain extent, the bloated output was a result of the surges in both domestic and international steel prices in 1H2021. Supply chain disruptions worldwide over the past year have restrained steel supply in the US and Europe, thus pushing up the steel prices in the international market. Within China, the skyrocketing price for steel incentivised steel mills to increase capacity. In turn, surging demands for steel drove up the demand and price of iron ore. As imported ore prices rose to new levels, the China Iron Ore Price Index compiled by the China Iron and Steel Association also climbed steadily, riding on the upward momentum from December 2020 just over 600 to reach the apex of 774.5 in mid-June 2021, only correcting in March 2021. The China 62% TFe Iron Ore Price Index more than doubled on a year-on-year basis, reaching the record high of 233 in May 2021, compared with 104 in June 2020. The uptrend was however punctuated by drops in February 2021, just after the Chinese New Year holidays, and March 2021, but on both occasions the index bottomed out at the 150 mark;

- driven by rising international steel demands, Chinese steel export recorded a year-on-year spike of 26.2% in volume for the first four months of 2021, totalling 25.7 Mt, according to the General Administration of Customs of the PRC;

- aiming to boost domestic steel supply and import of steel resources, the State Council of the PRC implemented tax amendments in May 2021 to cancel steel export tax rebates and impose higher tariffs on some steel products. Additionally, the National Development and Reform Commission of the PRC (the "NDRC") announced in June 2021 new rules on the management of price indexes for key commodities and services in order to stabilise soaring commodity prices including that of iron ore and steel;

- against the backdrop of rising prices and growing output, the NDRC and the Ministry of Industry and Information Technology jointly called for a review of capacity reduction across the industry in April 2021 to monitor the progress of the supply-side structural reform of the steel industry;

- to address the persistent accelerated growth in steel output, the NDRC also reiterated in June 2021 the focused structural adjustments to the steel industry in China, including strict enforcement of regulations prohibiting newly added production capacity, promotion of low-carbon green development of the steel industry, facilitation of merger of steel producers, optimisation of steel industry resources, and quality improvement in the development of the steel industry; and

- as manufacturing and business activities continued its momentum, China's Purchasing Managers' Index maintained well above the threshold of 50 in the first five months of 2021, peaking in March 2021 at 51.9.

BUSINESS AND OPERATIONS REVIEW

Operation and Financial Overview

During the Reporting Period, the Group (including the Discontinued Operation) reported higher revenue, increasing by 57.0% to approximately RMB284.4 million for 1H2021. The Group reported higher revenue despite the temporary suspension of the Group's operations at the Maoling Mine during the second half of June 2021 (the "Production Suspension") as a result of a landslide, which caused road closures and disruption to telecommunication and electricity supply in the affected areas in Wenchuan County.

During the period under review:

- production volume fell by approximately 12.5% mainly due to the Production Suspension;
- average selling price for high-grade iron concentrates increased by approximately 23.5% mainly driven by demand recovery; and
- trading activities increased due to higher steel demand in China during the Reporting Period as a result of infrastructure spending that were driven by policies aiming to stimulate China's economy. The Group's overall purchase and sales volumes of trading activities were approximately 46.9 Kt, representing a rise of 26.1% as compared to 1H2020.

Despite the Production Suspension, the Group recorded a higher gross profit at approximately RMB14.8 million as compared to RMB14.0 million for 1H2020 on the back of higher revenue while gross profit margin fell to 5.2% for 1H2021. Administrative expenses, comprising mainly staff cost and other fixed operating overhead, remained largely unchanged at approximately RMB19.9 million as compared to 1H2020.

Details of the financial performance of the Group are set out on page 34 of this announcement.

Overview of Mines

Please refer to below tables for the status of the Group's mine operations which are owned and operated by the Group.

Continuing Operations – High Fe Mines and Gypsum Mine

Mines	**Processing Plant**	**Status as at 30 June 2021**
Maoling-Yanglongshan Mine	Maoling Processing Plant	Producing iron concentrates of high Fe contents *(within the range of 65% TFe to 72% TFe)*
Shigou Gypsum Mine	N/A	Optimising development and mining plans according to trial production results

The following table summarises the transacted volumes for (i) trading sales and (ii) sale of self-produced products of the Group:

		Purchase from an independent third party			Sale to an independent third party		
		1H2021	1H2020	Change	**1H2021**	1H2020	Change
		(Kt)	*(Kt)*	*%*	***(Kt)***	*(Kt)*	*%*
(i)	**Trading Sales**						
	Steels	**46.9**	37.2	26.1	**46.9**	37.2	26.1

		Production volume (Dry basis)			Sales volume (Dry basis)		
		1H2021	1H2020	Change	**1H2021**	1H2020	Change
		(Kt)	*(Kt)*	*%*	***(Kt)***	*(Kt)*	*%*
(ii)	**Sale of Self-produced Products**						
	High-grade iron concentrates	**27.3**	31.2	(12.5)	**27.3**	28.4	(3.9)

Business Risks and Uncertainties

The following is a list of principal risks and uncertainties that are of significance, which may bring potential significant impacts to the Group's businesses, results of operations and financial conditions. However, this is non-exhaustive as there may be other risks and uncertainties arising from changes in economic and other conditions over time:

- macro business environment in which the Group operates is highly dynamic that any adverse change in market condition for sales of iron concentrates and trading of steel may materially affect the businesses of the Group;

- unfavorable price fluctuations of iron concentrates, lower-than-expected capacity utilisation rate, negative market sentiment as a result of trade war, COVID-19 pandemic and change in demand trend may result in re-assessment of intangible assets valuations (in relation to exploration and mining rights), which may have an adverse impact on the Group's financial results due to the resultant impairment losses arising from lower value-in-use and lower economic benefits as may be derived from the related cash-generating units;

- changes in government policies, laws and regulations in the PRC may affect the Group's operations and/or result in additional compliance costs;

- additional time and efforts may be required in negotiating with financial institutions for commercially acceptable terms if there is a significant change in credit risk policies; and

- delay in implementating growth and transformational strategies or deviation from original business and operational strategies, including resources reallocation plans, may affect the Group's operations and financial results.

FINANCIAL REVIEW

Note:

The Specialised Mining Services have been classified as held for sale and as a discontinued operation since 31 December 2020 given the Group's plan to dispose of the Specialised Mining Services which was subsequently completed on 31 July 2021. Correspondingly, the comparatives of which have also been re-represented as a discontinued operation.

	1H2021	1H2020	Variance
	RMB'000	*RMB'000*	*%*
REMAINING GROUP			
Revenue	**246,270**	144,869	70.0
Cost of sales	**(236,008)**	(135,354)	74.4
Gross profit	**10,262**	9,515	7.9
Other income and gains	**2,121**	674	214.7
Selling and distribution costs	**(209)**	(2,697)	(92.3)
Administrative expense	**(8,905)**	(12,719)#	(30.0)
Other expenses	**(1,278)**	(1,338)	(4.5)
Reversal of/(provision for) impairment losses, net	**241**	(307)	(178.5)
Finance costs	**(2,377)**	(2,470)	(3.8)
Operating loss before tax from the Remaining Group	**(145)**	(9,342)	(98.4)
Income tax credit/(expense)	**(1,313)**	2,633	(149.9)
Operating loss after tax from the Remaining Group	**(1,458)**	(6,709)	(78.3)
DISPOSAL GROUP			
Loss for the period from the Disposal Group	**(6,162)**	(15,883)#	(61.2)
Loss for the period	**(7,620)**	(22,592)	(66.3)
ATTRIBUTABLE TO:			
Owners of the Company	**(6,773)**	(19,115)	(64.6)
Non-controlling interests	**(847)**	(3,477)	(75.6)
	(7,620)	(22,592)	(66.3)

Presented at gross of intra-group transactions as if the 2021 Disposal had taken place on 30 June 2020.

Revenue

Revenue increased to approximately RMB246.3 million for 1H2021 (1H2020: RMB144.9 million) due mainly to (i) higher trading activities and (ii) higher average selling price of high-grade iron concentrates and steel on demand recovery during the Reporting Period, despite the Production Suspension.

Cost of Sales

Cost of sales primarily comprises environment compliance cost, incidental costs for resuming the Maoling Mine operations from the Production Suspension, contracting fees for mining and stripping as well as materials, labour, power and other utilities, repair and maintenance, depreciation and amortisation, and trading purchase. Cost of sales increased substantially to approximately RMB236.0 million for 1H2021 (1H2020: RMB135.4 million) due mainly to (i) higher cost of purchases for trading as a result of higher average steel prices which rose by close to 50% and (ii) delivery charges of iron concentrates.

Gross Profit and Margin

Gross profit increased to approximately RMB10.3 million for 1H2021 (1H2020: RMB9.5 million) due to higher revenues while gross profit margin fell to approximately 4.2% for 1H2021 (1H2020: 6.6%).

Other Income and Gains

Other income and gains, including proceeds of approximately RMB1.3 million derived from sale of mine tailings which has started since April 2020, increased to approximately RMB2.1 million for 1H2021 (1H2020: RMB0.7 million).

Selling and Distribution Expenses

The selling and distribution expenses primarily comprise delivery, logistic, storage and warehousing costs. Selling and distribution expenses fell to approximately RMB0.2 million for 1H2021 (1H2020: RMB2.7 million) mainly because delivery charges of iron concentrates in 1H2021 were included as part of cost of sales following a change in delivery arrangement whereas such delivery charges were included as part of the selling and distribution expenses in 1H2020.

Administrative Expenses

Administrative expenses, which mainly comprise staff related expenses (net of government grant), professional fees and other fixed operating overhead associated with the Production Suspension, decreased to approximately RMB8.9 million for 1H2021 (1H2020: RMB12.7 million) mainly due to cost saving arising from operational streamlining.

Other Expenses

Other expenses, which primarily comprise the cost of processing mine tailings that has started since April 2020, remain relatively unchanged at approximately RMB1.3 million for 1H2021 (1H2020: RMB1.3 million). Such cost has been incurred for cleaning up the existing tailings dams for environmental compliance while allowing part of the mine waste to become saleable as well as reducing possible water loss in the dams.

Finance Costs

Finance costs remain relatively unchanged at approximately RMB2.4 million for 1H2021 (1H2020: RMB2.5 million).

Income Tax Credit/(Expense)

The Group recorded an income tax expense of approximately RMB1.3 million for 1H2021 (1H2020: income tax credit of RMB2.6 million), for its profitable High-Fe Mining Operations and trading businesses excluding the loss-making corporate functions and the Discontinued Operation.

Loss Attributable to Owners

Given the above and including the net loss from the Discontinued Operation, the Group recorded a significantly lower Net Loss of approximately RMB6.8 million for 1H2021 (1H2020: Net Loss RMB19.1 million).

Interim Dividend

The Board does not recommend the payment of an interim dividend for 1H2021 (1H2020: Nil).

LIQUIDITY AND CAPITAL RESOURCES

The following table sets out certain information regarding the Group's interim consolidated statement of cash flows for the six months ended 30 June 2021 and 2020:

	1H2021		1H2020	
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Cash and cash equivalents as stated in the interim consolidated statement of cash flows at beginning of the period		**47,173**		26,689
Net cash flows used in operating activities	**(38,820)**		(17,103)	
Net cash flows used in investing activities	**(9,757)**		(1,900)	
Net cash flows from/(used in) financing activities	**4,445**		(609)	
Net decrease in cash and cash equivalents		**(44,132)**		(19,612)
Effect of foreign exchange rate changes, net		**1,275**		155
Cash and cash equivalents as stated in the interim consolidated statement of cash flows at end of the period#		**4,316**		7,232

\# *includes cash and cash equivalents of the Disposal Group that was classified as asset held for sale. For further details of the Disposal Group, please refer to note 9 to Interim Condensed Financial Information of this announcement.*

Net Cash Flows Used In Operating Activities

The Group's net cash flows used in operating activities were approximately RMB38.8 million during 1H2021 (1H2020: RMB17.1 million) after accounting for operating loss before working capital changes of approximately RMB0.1 million (1H2020: RMB1.1 million), working capital requirements of approximately RMB36.0 million (1H2020: RMB16.0) for payments of steels purchases, which were delivered close to the end of the Reporting Period.

Net Cash Flows Used In Investing Activities

The Group's net cash flows used in investing activities were approximately RMB9.8 million for 1H2021 (1H2020: RMB1.9 million), due primarily to capital expenditures for the engineering works in preparation for the expansion of the Maoling Mine areas of approximately RMB11.8 million (1H2020: RMB3.9 million), which were offset by proceeds from disposal of machinery and equipment amounting to approximately RMB1.7 million (1H2020: RMB2.4 million).

Net Cash Flows From/(Used In) Financing Activities

The Group's net cash flows from financing activities were approximately RMB4.4 million for 1H2021 (1H2020: RMB0.6 million used in financing activities), due primarily to proceeds from working capital loans.

FINANCIAL POSITION

Analysis of Inventories

The Group's inventories were approximately RMB9.4 million as at 30 June 2021 (FY2020: RMB5.8 million) due mainly to the temporary delay in delivery of tailings caused by delivery disruption during the Production Suspension.

Analysis of Trade and Bills Receivables

The Group's trade and bills receivables increased to approximately RMB366.5 million as at 30 June 2021 (FY2020: RMB181.8 million) on the back of higher revenues. Out of the trade and bills receivables outstanding as at 30 June 2021, more than half of trade and bills receivables have been collected subsequent to the Reporting Period while the remaining falls within the credit period and is expected to be collected during the fourth quarter of 2021.

Other Receivables

Other receivables remained relatively unchanged at approximately RMB4.8 million as at 30 June 2021 (FY2020: RMB4.7 million).

Assets and Liabilities of a Disposal Group Classified as Held For Sale

This related to the classification of assets and liabilities of the discontinued mining services business and the disposal of which had been completed on 31 July 2021.

Analysis of Trade and Bills Payables

The Group's trade and bills payables increased to approximately RMB195.6 million as at 30 June 2021 (FY2020: RMB30.5 million) due mainly to higher cost of purchases for trading as a result of substantially higher average steel prices. Overall creditors turnover days increased to 86 days (FY2020: 40 days) due mainly to the delivery of purchased steels close to the end of the Reporting Period in order to meet back-to-back orders.

Borrowings

Total borrowings of the Group were approximately RMB86.7 million as at 30 June 2021 (FY2020: RMB84.7 million). As at 30 June 2021, all bank loans were denominated in RMB. Details of borrowings of the Group are set out in note 19 to Interim Condensed Financial Information of this announcement.

Lease Liabilities

The total lease liabilities of approximately RMB3.7 million (FY2020: RMB7.3 million) related to payment obligations in relation to the right-of-use assets which comprised mainly office premises and tailings management facilities.

Contingent Liabilities

As at 30 June 2021, the maximum amount of contingent liabilities of the Company was RMB730.0 million, which represented the Maximum Guarantee Amount under the CVT Guarantees. The CVT Guarantees were provided by the Company prior to the 2019 Disposal to guarantee the indebtedness of the Caitong Group owed to certain banks and an asset management and financial services institution in the PRC (the "Financial Institutions"). Those debts have not been fully repaid and the CVT Guarantees continued after the 2019 Completion. As previously disclosed in the announcements of the Company dated 30 July 2019 and 29 July 2020, respectively, Chengyu Vanadium Titano and Huili Caitong had updated the Company that the Financial Institutions are willing to consider releasing the CVT Guarantees provided that the total outstanding loans with the Financial Institutions are fully repaid. Chengyu Vanadium Titano and Huili Caitong have also undertaken that they will continue to make progressive repayment of the outstanding principal loans as scheduled. As at 30 June 2021, these debts had not been fully repaid and the CVT Guarantees thus continued after the 2019 Completion. Given the continuation of the CVT Guarantees, the Company's obligations under the CVT Guarantees have been counter-indemnified by Chengyu Vanadium Titano and the Counter Indemnity in favor of the Company will continue to be in place and remain effective until the CVT Guarantees are released. Save for the above, as at 30 June 2021, the Group did not have any other contingent liabilities.

Pledge of Assets

The Group's pledge of assets as at 30 June 2021 related mainly to a short-term bank loan of RMB79.6 million granted by Shanghai Pudong Development Bank Chengdu Branch to Aba Mining, which was secured by the mining right of Maoling Mine.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plan for Material Investments of Capital Assets

Except as disclosed elsewhere in this management discussion and analysis ("MD&A"), the unaudited condensed consolidated financial statements for 1H2021 or the announcements of the Company in relation to the 2021 Disposal dated 30 June 2021 and 1 August 2021, respectively, there were no other significant investments held and/or committed by the Company, nor were there any other material acquisitions or disposals of subsidiaries, associates and joint ventures during 1H2021.

Except as disclosed in this MD&A, there were no other material investments or additions of capital assets authorised by the Board as at the date of this announcement.

Foreign Currency Risk

The Group's foreign currency exposures arose primarily from the exchange rate movement of foreign currencies, namely Hong Kong dollars, US dollars, Australian dollars, Singapore dollars and Vietnamese dong, against the Renminbi. Hong Kong dollars, US dollars, Australian dollars, Singapore dollars and Vietnamese dong are the functional currencies of respective entities within the Group.

The Renminbi is not freely convertible. There is a risk that the Chinese government may take actions affecting exchange rates which may have a material adverse effect on the Group's net assets, earnings and any dividends it declares if such dividend is to be exchanged or converted into foreign currencies. The Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. The management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the needs arise.

The following table demonstrates the sensitivity to a 5.0% change in RMB against HKD, USD, AUD, SGD and VND, respectively. The 5.0% is the rate used when reporting currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in the foreign currency rate. The sensitivity analyses of the Group's exposure to foreign currency risk at the end of each reporting period have been determined based on the adjustment of translation of the monetary assets and liabilities at the end of each reporting period for a 5.0% change in RMB against HKD, USD, AUD, SGD and VND, respectively, with all other variables held constant, of the Group's loss before tax for the period ended 30 June 2021 (due to changes in the fair value of cash and cash equivalents and financial assets at fair value through profit or loss denominated in HKD, USD, AUD, SGD and VND):

	RMB'000
Increase/(decrease) in loss before tax:	
If RMB strengthens against HKD, USD, AUD, SGD and VND	111.0
If RMB weakens against HKD, USD, AUD, SGD and VND	(111.0)

Interest Rate Risk

The Group's income and operating cash flows are not substantially affected by the changes in market interest rates. The Group has no significant interest-bearing assets, except for cash and cash equivalents. The Group manages its interest rate exposure arising from all its interest-bearing loans through the use of fixed rates. In addition, the Group has not used any interest rate swaps to hedge against interest rate risk.

Contractual Obligations

The Group had no contractual obligations as at 30 June 2021 and 31 December 2020.

Capital Expenditure

The Group's total capital expenditure increased significantly by RMB7.0 million to approximately RMB9.2 million for 1H2021 (1H2020: RMB2.2 million, on a comparable basis) due to a significant amount of construction in progress required for the High-Fe Mining Operations.

Gearing Ratio

Gearing ratio is a measure of financial leverage, which is calculated by net debt divided by "total equity plus net debt". Net debt is defined as interest-bearing bank, other loans and lease liabilities, net of cash and cash equivalents and it excludes liabilities incurred for working capital purpose. Equity includes equity attributable to owners of the Company and non-controlling interests. As at 30 June 2021, gearing ratio was approximately 8.8% (FY2020: 6.1%).

OTHER SIGNIFICANT EVENTS

The 2021 Disposal

On 30 June 2021, the Company (as vendor) entered into a conditional sale and purchase agreement with PT. Hay Wei (as purchaser) to dispose of 81% equity interest in Mancala Holdings to PT. Hay Wei for a total cash consideration of AUD1.5 million. Upon the completion of the 2021 Disposal on 31 July 2021, the Mancala Group has ceased to be subsidiaries of the Company.

Please refer to the Company's announcements dated 30 June 2021 and 1 August 2021, respectively, for further details.

The Disruption of the Maoling Mine Operations

Maoling Mine operations were temporarily suspended in mid-June 2021 due to a landslide that struck Longzhangkou, Xinqiao Village, Wenchuan County, Aba Prefecture, Sichuan Province*. Following the resumption of the Maoling Mine operations in early July 2021, the supply chain and production operations were further disrupted by temporary traffic control arrangement in Aba Prefecture which continued until mid-August 2021 even though the Maoling Mine operation had been resumed in early July 2021.

Please refer to the Company's announcements dated 21 June 2021 and 2 July 2021, respectively, for further details.

OUTLOOK

While the major economies around the world are gearing up for economic rebounds and border reopening after the launch of vaccination drives to contain the COVID-19 pandemic, there remain critical issues that will continue to cast doubt on the hopeful post-COVID-19 recovery. There have also been concerns that the spread of the new virus variants may have outpaced the vaccines rollout, thus hindering the resumption of normalcy and economic growth while core inflation is closely watched by policymakers. Apart from this, the trade and diplomatic conflicts between China and Australia with their tit-for-tat retaliations have escalated with little sign of easing. Against this backdrop, the Group completed the disposal of its Specialised Mining Services in Australia in July 2021.

In view of the demand trend arising from China's anti-pollution measures, the Group has progressively adjusted its operational strategy to increase the output of the less-polluted and higher-margin iron concentrates with at least 70% TFe (compared to the existing range of 62% TFe to 65% TFe). In this aspect, the Group intends to expand the existing mining area of the Maoling Mine. Such a move is expected to entail some form of capital investments in licensing process, mines exploration, additional environmental compliance, modification and upgrade of existing production facilities and infrastructure (including necessary mining engineering works such as tunneling and underground construction). The initial capital investment amount for these initiatives (Phase 1) is estimated to be at least RMB30.0 million. Despite volatility and uncertainties in the commodity market, partly due to the regulatory intervention from the Chinese government to curb speculation and price manipulation, the outlook on iron-related products, including steel, remains positive for the second half of 2021, barring unforeseen circumstances.

In addition, the Group has also been evaluating its corporate strategies with an aim to optimise its resources amidst the COVID-19 pandemic. Following the disposal of its Specialised Mining Services in Australia in July 2021, the Group will remain focused in expanding its High-Fe Mining Operations and trading business while exploring other non-mining business diversification opportunities. The Group had also previously indicated that the long-term fundamentals of the Chinese economic growth will remain as a key driving factor for the Group's strategic plans in the future, including potential business diversification strategies. These strategies, if successfully implemented, may enhance Shareholders' value over a longer term.

EMPLOYEES AND EMOLUMENT POLICIES

As at 30 June 2021, the number of employees of the Group was 180 (31 December 2020: 191). For 1H2021, employee benefit expense (including Directors' remuneration in the form of salaries and other allowances) was approximately RMB15.2 million (1H2020: approximately RMB11.7 million).

The emolument policies of the Group are based on performance, experience, competence and market comparable. Remuneration packages generally comprise salary, housing allowance, contribution to pension schemes and discretionary bonus relating to the performance of the Group. The Group has also adopted share option schemes for its employees, providing incentives and rewards to eligible participants with reference to their contribution.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CORPORATE GOVERNANCE

The Board is of the view that during the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report as contained in Appendix 14 to the Listing Rules (the "CG Code") except for code provision A.4.1.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Mr. Teh Wing Kwan, the non-executive Director, is not appointed for a specific term. This constitutes a deviation from code provision A.4.1. However, as Mr. Teh Wing Kwan's appointment is subject to retirement by rotation and re-election by the Shareholders at the annual general meetings of the Company in accordance with the Articles, in the opinion of the Directors, this meets the objective of the CG Code. In this regard, Mr. Teh Wing Kwan was re-elected as a non-executive Director at the Shareholders' annual general meeting held on 29 June 2021.

Save as disclosed above, the Directors are not aware of any other information that reasonably reveals that there is any non-compliance with or deviation from applicable code provisions on corporate governance practices set out in Appendix 14 to the Listing Rules by the Company anytime during the Reporting Period.

REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

Disclosure of financial information in this announcement complies with Appendix 16 to the Listing Rules. The audit committee has discussed risk management and internal control affairs and reviewed the Company's interim results for the Reporting Period, and the audit committee is of the view that the interim results for the Reporting Period are prepared in accordance with the applicable accounting standards, rules and regulations, and appropriate disclosures have been duly made.

GLOSSARY

"1H2020"	the six months ended 30 June 2020
"1H2021" or "Reporting Period"	the six months ended 30 June 2021
"2019 Completion"	Completion of the 2019 Disposal on 30 July 2019
"2021 Completion"	Completion of the 2021 Disposal on 31 July 2021

"2019 Disposal"	the sale transaction of the Caitong Group from Sichuan Lingyu to Chengyu Vanadium Titano which was entered into on 29 January 2019 and completed on 30 July 2019
"2021 Disposal"	the sale transaction of the Mancala Group from the Company to PT. Hay Wei which was entered into on 30 June 2021 and completed on 31 July 2021
"Aba Mining"	Aba Mining Co., Ltd.*, a limited liability company established in the PRC on 27 February 2004 and an indirect wholly-owned subsidiary of the Company
"Articles"	the articles of association of the Company, adopted on 4 September 2009 and as amended from time to time
"Australian dollars" or "AUD"	the lawful currency of the Commonwealth of Australia
"Board"	the board of Directors
"Caitong Group"	refers to Huili Caitong and its subsidiaries, which have been disposed of on 30 July 2019
"Chengyu Vanadium Titano"	Chengyu Vanadium Titano Technology Ltd.*, formerly known as Weiyuan Steel Co., Ltd.*, a sino-foreign equity joint venture established in the PRC on 3 April 2001 and a connected person to the Group
"China" or "PRC" or "Mainland China"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Company" or "we"	China Vanadium Titano-Magnetite Mining Company Limited, a limited liability company incorporated in the Cayman Islands on 28 April 2008
"Continuing Operations"	operations of the Remaining Group
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules

"Counter Indemnity"	a moveable asset pledge contract entered into between Chengyu Vanadium Titano and the Company for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company's liabilities and claims under the CVT Guarantees (if any), and the pledge of the Chengyu Vanadium Titano's inventories (including but not limited to structural steels, coals etc) as security for such counter indemnity
"CVT Guarantees"	guarantees given by the Company in favour of the Caitong Group guaranteeing, inter alia, the indebtedness owing by the Caitong Group to certain financial institutions in the PRC with maximum guarantee amount of RMB730.0 million
"Director(s)"	director(s) of the Company or any one of them
"Discontinued Operation"	refers to operation of the Specialised Mining Services for the periods ended 30 June 2021 and 30 June 2020, respectively
"Fe"	chemical symbol of iron element
"FY2020"	financial year ended and/or as at 31 December 2020, as applicable
"Group"	the Company and its subsidiaries
"Gypsum"	a soft hydrous sulfate mineral with the chemical formula $CaSO_4 \cdot 2H_2O$
"High Fe Mines"	Maoling Mine, Maoling-Yanglongshan Mine and Maoling Processing Plant
"High-Fe Mining Operations"	refers to operations of the sale of self-produced high-grade iron concentrates within the range of 65% TFe to 72% TFe
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HKD"	the lawful currency of Hong Kong
"Huili Caitong"	Huili County Caitong Iron and Titanium Co., Ltd.*, established in the PRC on 7 July 1998 and has been a foreign equity joint venture in the PRC since 29 December 2010, an indirect wholly-owned subsidiary of the Company till 30 July 2019

"IFRSs"	International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board and the International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect
"Kt"	thousand tonnes
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mancala Group"	refers to Mancala Holdings Limited and its subsidiaries, which have been disposed on 31 July 2021
"Mancala Holdings"	Mancala Holdings Limited, a company incorporated in the Cayman Islands, which was owned as to 81% by the Company until the 2021 Completion
"Maoling Extended Exploration Area"	formerly an independent exploration region with an area of 2.83 sq.km. covered under the extended exploration permit of the Maoling Mine (covering 1.9 sq.km. of the mining area of the Maoling Mine), has been consolidated with the Yanglongshan Mine since September 2012 to form the Maoling-Yanglongshan Mine
"Maoling Mine"	an ordinary magnetite mine located in Wenchuan County, Sichuan, with a mining area of 1.9 sq.km.
"Maoling Processing Plant"	the ore processing plant located near the Maoling-Yanglongshan Mine and operated by Aba Mining
"Maoling-Yanglongshan Mine"	an exploration region with a total area of 11.6 sq.km. covered under the exploration permit of the Maoling-Yanglongshan Mine (the mining area covered is owned by the Maoling Mine), formed from the combination of the Maoling Extended Exploration Area and the Yanglongshan Mine since September 2012 and operated by Aba Mining
"Maximum Guarantee Amount"	maximum guarantee amount of RMB730.0 million provided by the Company pursuant to the CVT Guarantees in favour of the Caitong Group, prior to the 2019 Completion
"Mt"	million tonnes
"N/A"	not applicable

“Net Loss”	loss attributable to owners
“PT. Hay Wei”	PT. Hay Wei Feng Yuan Mining, a company incorporated in Indonesia and the purchaser of the Mancala Group under the 2021 Disposal
“Remaining Group”	the Company and its subsidiaries excluding the Mancala Group
“Renminbi” or “RMB”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of HKD0.1 each
“Shareholder(s)”	holder(s) of the Share(s)
“Shigou Gypsum Mine”	Shigou gypsum mine located at Hanyuan County, Ya’an City, Sichuan, with a mining area of 0.1228 sq.km.
“Sichuan”	the Sichuan province of the PRC
"Sichuan Lingyu"	Sichuan Lingyu Investment Group Co., Ltd.*, a limited liability company established in the PRC on 9 June 2010 and an indirect wholly-owned subsidiary of the Company
“Singapore dollars” or “SGD”	the lawful currency of the Republic of Singapore
“Specialised Mining Services”	entire operations of the Mancala Group, which have been classified as a discontinued operation since FY2020
“sq.km.”	square kilometres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TFe”	the symbol for denoting total iron
“Trisonic International”	Trisonic International Limited, a company incorporated in Hong Kong on 19 July 2006 and a Controlling Shareholder
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars” or “USD”	the lawful currency of the United States

"Vietnamese dong" or "VND"	the lawful currency of the Socialist Republic of Vietnam
"Wenchuan County"	Wenchuan County, Aba Prefecture, Sichuan Province
"Yanglongshan Mine"	an ordinary magnetite mine located in Wenchuan County, Sichuan, formerly an independent exploration region with an area of 8.79 sq.km. covered under the exploration permit of the Yanglongshan Mine, and has been consolidated as the Maoling-Yanglongshan Mine with the original Maoling Extended Exploration Area since September 2012

* *For identification purpose only*

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

Hong Kong, 27 August 2021

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.

Website: www.chinavtmmining.com