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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS

For the Reporting Period:

- the Continuing Operations recorded a profit attributable to the owners of the Company ("Net Profit") of approximately RMB0.9 million, net of corporate expenses, for the High-Fe Mining Operation and trading businesses due mainly to (i) higher trading activities and (ii) higher average selling price of high-grade iron concentrates as a result of pent-up demand particularly during the first three quarters of 2021. The overall profitability was however affected by (i) the clampdown against commodity speculators and market volatility across the industry; (ii) the disruption of the Maoling Mine operations as a result of a landslide which resulted in the temporary suspension of its production facilities and the temporary traffic control arrangements in Aba Prefecture which affected the delivery logistics and the related supply chain; and (iii) higher tax expenses; and

- recognition of the net gain on disposal of the loss-making Mancala Australia Group of approximately RMB10.7 million, was offset by its net operating losses for the seven months ended 31 July 2021 (being the completion date of the said disposal) of approximately RMB4.1 million.

Given the above, the Group reported a Net Profit of approximately RMB8.3 million for FY2021 (FY2020: loss attributable to the owners of the Company of RMB17.1 million).

The basic and diluted profit per Share attributable to ordinary equity holders of the Company was approximately RMB0.004 for FY2021, as compared to loss per Share attributable to ordinary equity holders of the Company of approximately RMB0.008 for FY2020.

The Board does not recommend the payment of a final dividend for FY2021 (FY2020: Nil).

The Board hereby announces the audited consolidated results of the Group for FY2021 together with the comparative figures for FY2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	**2021**	2020
		RMB'000	*RMB'000*
CONTINUING OPERATIONS			
REVENUE	*3, 4*	**714,760**	488,135
Cost of sales		**(690,098)**	(441,548)
Gross profit		**24,662**	46,587
Other income and gain	*4*	**3,888**	3,864
Selling and distribution expenses		**(373)**	(4,572)
Administrative expenses		**(19,003)**	(30,515)
Other expenses		**(2,288)**	(3,212)
Reversal of impairment losses on trade receivables, net	*6*	**4,130**	1,479
Finance costs	*5*	**(5,393)**	(5,598)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*6*	**5,623**	8,033
Income tax credit/(expense)	*7*	**(4,641)**	250
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**982**	8,283
DISCONTINUED OPERATIONS			
Profit/(loss) for the year from discontinued operations	*8*	**6,616**	(32,675)
PROFIT/(LOSS) FOR THE YEAR		**7,598**	(24,392)

	Notes	**2021** *RMB'000*	2020 *RMB'000*
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**840**	(1,770)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**8,438**	(26,162)
Profit/(loss) attributable to:			
Owners of the Company		**8,311**	(17,054)
Non-controlling interests		**(713)**	(7,338)
		7,598	(24,392)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**8,989**	(18,489)
Non-controlling interests		**(551)**	(7,673)
		8,438	(26,162)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted			
– For profit/(loss) for the year	*10*	**RMB0.004**	RMB(0.008)
– For profit from continuing operations	*10*	**RMB0.0004**	RMB0.004

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	**2021** **RMB'000**	2020 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**166,289**	155,431
Right-of-use assets	13	**1,032**	6,909
Intangible assets	12	**735,021**	735,603
Prepayments, other receivables and other assets	14	**886**	966
Deferred tax assets	15	**12,208**	14,824
Total non-current assets		**915,436**	913,733
CURRENT ASSETS			
Inventories	16	**11,900**	5,814
Trade and bills receivables	17	**203,655**	181,760
Prepayments, other receivables and other assets	14	**4,433**	4,693
Due from related parties		**9,728**	8,929
Pledged deposits	18	**10,026**	328
Cash and cash equivalents	18	**6,436**	32,645
		246,178	234,169
Assets of the Disposal Group classified as held for sale	8	**–**	77,730
Total current assets		**246,178**	311,899
CURRENT LIABILITIES			
Trade payables	19	**33,077**	30,493
Contract liabilities	20	**6,166**	2,277
Other payables and accruals	21	**59,993**	63,254
Interest-bearing bank and other borrowings	22	**17,580**	84,735
Due to related parties		**5,389**	3,868
Lease liabilities	13	**2,305**	3,945
Tax payable		**9,052**	11,266
		133,562	199,838
Liabilities directly associated with the assets classified as held for sale	8	**–**	84,990
Total current liabilities		**133,562**	284,828
NET CURRENT ASSETS		**112,616**	27,071
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,028,052**	940,804

	Notes	**2021** **_RMB'000_**	2020 _RMB'000_
NON-CURRENT LIABILITIES			
Due to related parties		**7,680**	7,680
Lease liabilities	*13*	**400**	3,318
Interest-bearing bank and other borrowings	*22*	**74,612**	–
Provision for rehabilitation	*23*	**14,523**	13,654
Other payables	*21*	**700**	700
Total non-current liabilities		**97,915**	25,352
Net assets		**930,137**	915,452
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*24*	**197,889**	197,889
Reserves		**437,351**	428,362
		635,240	626,251
Non-controlling interests		**294,897**	289,201
Total equity		**930,137**	915,452

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. CORPORATE AND GROUP INFORMATION

China Vanadium Titano-Magnetite Mining Company Limited (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 year ended 31 December 2021, the Company and its subsidiaries (together, the "Group") were principally engaged in the following principal activities:

- sale of self-produced products
- trading of steels

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

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. Assets of the Disposal Group classified as held for sale and assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 8 to the financial statements. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

<u>Basis of consolidation</u>

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2021. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interests and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investments retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

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* (early adopted)

The nature and the 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 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 31 December 2021. The Group expects that the China Loan Prime Rate will continue to exist and the interest rate benchmark reform has not had an impact on the Group's China Loan Prime Rate-based borrowings. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above-mentioned 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 March 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. However, the Group has not received COVID-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
IFRS 17	*Insurance Contracts*[2]
Amendments to IFRS 17	*Insurance Contracts*[2, 4]
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*[2]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to IAS 8	*Definition of Accounting Estimates*[2]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Annual Improvements to IFRSs 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*[1]

[1] Effective for annual periods beginning on or after 1 January 2022
[2] Effective for annual periods beginning on or after 1 January 2023
[3] No mandatory effective date yet determined but available for adoption
[4] As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has three (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 and the provision of consultancy and management services;

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

(c) the corporate and others segment comprises the provision of facilities management services for the mining operations and the non-operating activities supporting the Group which include 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 and gain, other expenses, non-lease-related finance costs and fair value losses on financial assets at fair value through profit or loss 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.

Year ended 31 December 2021

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	**56,776**	**657,984**	**–**	**714,760**
Intersegment sales	**–**	**–**	**512**	**512**
	56,776	**657,984**	**512**	**715,272**
Reconciliation:				
Elimination of intersegment sales				**(512)**
Revenue from continuing operations				**714,760**
Segment results	**6,584**	**11,376**	**(8,742)**	**9,218**
Reconciliation:				
Other income and gain				**3,888**
Other expense				**(2,288)**
Finance costs (other than interest on lease liabilities)				**(5,195)**
Profit before tax from continuing operations				**5,623**
Segment assets	**369,412**	**204,263**	**735,289**	**1,308,964**
Reconciliation:				
Elimination of intersegment receivables				**(176,020)**
Deferred tax assets				**12,208**
Cash and cash equivalents				**6,436**
Pledged deposits				**10,026**
Total assets				**1,161,614**
Segment liabilities	**67,713**	**170,387**	**68,153**	**306,253**
Elimination of intersegment payables				**(176,020)**
Interest-bearing bank and other borrowings				**92,192**
Tax payable				**9,052**
Total liabilities				**231,477**
Other segment information				
Reversal of impairment losses on trade receivables, net *(note 6)*	**(327)**	**(3,803)**	**–**	**(4,130)**
Depreciation and amortisation	**8,731**	**6**	**499**	**9,236**
Capital expenditure* *(note 11)*	**18,157**	**–**	**109**	**18,266**

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

Year ended 31 December 2020

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	87,079	401,056	–	488,135
Revenue from continuing operations				488,135
Segment results	17,454	8,750	(13,555)	12,649
Reconciliation:				
Other income				3,864
Other expense				(3,212)
Finance costs (other than interest on lease liabilities)				(5,268)
Profit before tax from continuing operations				8,033
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 the Disposal Group				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 borrowings				84,735
Tax payable				11,266
Liabilities related to the Disposal Group				84,990
Total liabilities				310,180
Other segment information				
Provision for/(reversal of) impairment losses on trade receivables, net *(note 6)*	170	(1,649)	–	(1,479)
Depreciation and amortisation	12,557	–	753	13,310
Capital expenditure* *(note 11)*	12,494	–	2,206	14,700

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

Entity-wide disclosures

Geographical information

(a) *Revenue from external customers*

The following table sets out information about the geographical locations of the Group's revenue from external customers during the year. The geographical locations of customers are determined based on the locations designated by the customers at which the goods were delivered or services were rendered.

	2021	2020
	RMB'000	*RMB'000*
Mainland China	**714,760**	488,135

(b) *Non-current assets*

	2021	2020
	RMB'000	*RMB'000*
Mainland China	**901,979**	897,183
Singapore	**363**	587
Hong Kong	**–**	173
	902,342	897,943

The non-current asset information of continuing operations above is based on the locations of the assets and excludes prepayments, other receivables and other assets and deferred tax assets.

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

	2021	2020
	RMB'000	*RMB'000*
Customer A	**657,984**	400,777
Customer B	*****	72,907

* Less than 10%

4. REVENUE, OTHER INCOME AND GAIN

An analysis of revenue is as follows:

	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Revenue from contracts with customers				
Sale of industrial products:				
High-grade iron concentrates	**56,776**	**7.9**	78,966	16.2
Steels	**657,984**	**92.1**	401,056	82.2
Rendering of consultancy and management services	**–**	**–**	8,113	1.6
	714,760	**100.0**	488,135	100.0

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2021

Segments	**High-Fe mining operation** *RMB'000*	**Trading** *RMB'000*	**Corporate and others** *RMB'000*	**Total** *RMB'000*
Types of goods or services				
High-grade iron concentrates	**56,776**	**–**	**–**	**56,776**
Trading of steels	**–**	**657,984**	**–**	**657,984**
	56,776	**657,984**	**–**	**714,760**
Geographical market				
Mainland China	**56,776**	**657,984**	**–**	**714,760**
Time of revenue recognition				
Goods transferred at a point in time	**56,776**	**657,984**	**–**	**714,760**

For the year ended 31 December 2020

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Types of goods or services				
High-grade iron concentrates	78,966	–	–	78,966
Trading of steels	–	401,056	–	401,056
Rendering of consultancy and management services	8,113	–	–	8,113
	87,079	401,056	–	488,135
Geographical market				
Mainland China	87,079	401,056	–	488,135
Time of revenue recognition				
Goods transferred at a point in time	78,966	401,056	–	480,022
Services transferred over time	8,113	–	–	8,113
	87,079	401,056	–	488,135

For the year ended 31 December 2021

Segments	**High-Fe mining operation** ***RMB'000***	**Trading** ***RMB'000***	**Corporate and others** ***RMB'000***	**Total** ***RMB'000***
Revenue from contracts with customers				
External customers	**56,776**	**657,984**	**–**	**714,760**
Intersegment sales	**–**	**–**	**512**	**512**
	56,776	**657,984**	**512**	**715,272**
Intersegment adjustments and eliminations	**–**	**–**	**(512)**	**(512)**
Total revenue from contracts with external customers	**56,776**	**657,984**	**–**	**714,760**

For the year ended 31 December 2020

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Revenue from contracts with external customers	87,079	401,056	–	488,135

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 120 days from delivery. There were no remaining performance obligations unsatisfied or partially satisfied as at 31 December 2020 and 31 December 2021.

Consultancy and management services

The performance obligation is satisfied over time as services are rendered. Consultancy and management service contracts are for periods of one year or more, and are billed based on the time incurred. There were no remaining performance obligations unsatisfied or partially satisfied as at 31 December 2020 and 31 December 2021.

An analysis of other income and gain is as follows:

	Note	**2021** ***RMB'000***	2020 *RMB'000*
Other income			
Bank interest income		**16**	8
Government grants	*(a)*	**173**	967
Sale of raw materials		**2,505**	2,002
Miscellaneous		**1,177**	887
		3,871	3,864
Gain			
Gain on disposal of items of property, plant and equipment		**17**	–
Total other income and gain		**3,888**	3,864

Note:

(a) There were no unfulfilled conditions or contingencies relating to these government grants.

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2021 *RMB'000*	2020 *RMB'000*
Interest on bank and other borrowings	**4,326**	4,461
Interest on lease liabilities *(note 13(c))*	**198**	330
Unwinding of discount on provision *(note 23)*	**869**	807
	5,393	5,598

6. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Notes	2021 *RMB'000*	2020 *RMB'000*
Cost of inventories sold		**690,098**	441,548
Employee benefit expenses (including Directors' and chief executive's remuneration):			
Wages and salaries		**11,830**	12,594
Welfare and other benefits		**1,122**	957
Pension scheme contributions			
– Defined contribution fund		**1,177**	735
Housing fund			
– Defined contribution fund		**286**	308
Total employee benefit expenses		**14,415**	14,594
Depreciation of property, plant and equipment	*11*	**7,151**	9,748
Depreciation of right-of-use assets	*13(a)*	**1,503**	2,499
Amortisation of intangible assets	*12*	**582**	1,063
Depreciation and amortisation expenses		**9,236**	13,310
Reversal of impairment losses on trade receivables, net	*17*	**(4,130)**	(1,479)
Lease payments not included in the measurement of lease liabilities	*13(c)*	**99**	614
Auditor's remuneration		**2,130**	1,980

7. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group was not subject to any income tax in the Cayman Islands and the BVI during the two years ended 31 December 2021 and 2020.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the two years ended 31 December 2021 and 2020.

The provision for the PRC corporate income tax ("PRC CIT") is based on the respective PRC CIT rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of Mainland China for the year.

All subsidiaries domiciled in the PRC (the "PRC subsidiaries") were subject to the PRC CIT rate of 25% during the year ended 31 December 2021.

Pursuant to the income tax rules and regulations in Australia, the companies located in Australia which were the Group's subsidiaries before the Disposal are liable to Australia corporate income tax at a rate of 30% on the assessable profits generated for the year.

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 year.

The major components of income tax charge/(credit) are as follows:

	2021	2020
	RMB'000	*RMB'000*
Current – Singapore		
Charge for the year	**5**	3
Current – Mainland China		
Charge for the year	**2,020**	1,788
Deferred *(note 15)*	**2,616**	(2,041)
Total tax charge/(credit) for the year from continuing operations	**4,641**	(250)
Total tax charge for the year from discontinued operations *(note 8)*	**–**	–
	4,641	(250)

A reconciliation of the tax charge/(credit) applicable to profit/(loss) before tax at the applicable tax rate for the companies within the Group to the tax charge/(credit) at the effective tax rate is as follows:

	Note	**2021** ***RMB'000***	2020 *RMB'000*
Profit before tax from continuing operations		**5,623**	8,033
Profit/(loss) before tax from discontinued operations		**6,616**	(32,675)
		12,239	(24,642)
Tax at the respective statutory tax rates:			
– Mainland China subsidiaries, at 25%		**2,699**	4,048
– Australia subsidiaries, at 30%		**(1,232)**	(9,802)
– the Company and its Hong Kong subsidiaries, at 16.5%		**924**	(1,359)
– Singapore subsidiary, at 17%		**(8)**	13
Expenses not deductible for tax	*(a)*	**3,619**	2,237
Tax effect of tax losses not recognised		**1,312**	10,308
Reversal of deferred tax assets recognised in the prior years		**2,051**	–
Tax effect of deductible temporary differences not recognised		**(951)**	(412)
Income not subject to tax		**(1,769)**	–
Tax losses utilised from the prior year		**(2,004)**	(5,283)
Tax charge/(credit) at the Group's effective tax rate		**4,641**	(250)
Tax charge/(credit) from continuing operations at the effective tax rate		**4,641**	(250)
Tax charge from discontinued operations at the effective tax rate		**–**	–

Note:

(a) Expenses not deductible for tax for the years ended 31 December 2021 and 2020 mainly consist of administrative expenses incurred by offshore companies. These expenses are not expected to be deductible for tax.

8. DISCONTINUED OPERATIONS

The Disposal Group is mainly engaged in specialised mining services in Australia. The Disposal Group was disposed of on 31 July 2021. With the completion of the Disposal, the gain on disposal of the discontinued operations and the related income tax are presented in the profit or loss from the discontinued operations.

As a result of loss of management control upon completion of the Disposal on 31 July 2021, the Group could no longer govern and/or exercise control over the Disposal Group's financial and operating policies. Accordingly, the unaudited management accounts of the Disposal Group for the period from 1 January 2021 to the date of the Disposal on 31 July 2021 were used to prepare the consolidated financial statements of the Group.

The results of the discontinued operations for the period from 1 January 2021 to the date of the Disposal and the year ended 31 December 2020 are presented below:

	Notes	**Period from 1 January 2021 to 31 July 2021** ***RMB'000*** **(unaudited)**	Year ended 31 December 2020 *RMB'000*
REVENUE		**41,465**	92,568
Cost of sales		**(34,600)**	(77,556)
Gross profit		**6,865**	15,012
Other income and gain		**1,596**	3,700
Administrative expenses		**(12,693)**	(21,600)
Other expenses		**561**	–
Impairment losses on property, plant and equipment		**–**	(17,209)
Impairment losses on other intangible assets		**–**	(120)
Impairment losses on right-of-use assets		**–**	(452)
Impairment losses on assets classified as held for sale		**–**	(11,584)
Finance costs		**(436)**	(422)
Loss before tax from the discontinued operations		**(4,107)**	(32,675)
Gain on disposal of the discontinued operations	*25*	**10,723**	–
Profit/(loss) before tax from discontinued operations		**6,616**	(32,675)
Income tax expense	*7*	**–**	–
PROFIT/(LOSS) FOR THE PERIOD FROM THE DISCONTINUED OPERATIONS		**6,616**	(32,675)

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

	31 July 2021 *RMB'000* **(unaudited)**	31 December 2020 *RMB'000*
ASSETS		
Property, plant and equipment	**21,824**	20,819
Right-of-use assets	**1,078**	547
Inventories	**11,639**	12,704
Trade receivables	**5,113**	796
Prepayments, other receivables and other assets	**3,611**	5,290
Contract assets	**1,911**	5,260
Cash and cash equivalents	**3,598**	14,528
Assets classified as held for sale	**16,415**	17,786
Assets of the Disposal Group classified as held for sale	**65,189**	77,730
LIABILITIES		
Trade payables	**13,871**	22,544
Other payables and accruals	**36,067**	32,358
Interest-bearing bank and other borrowings	**15,663**	17,660
Due to related parties	**8,991**	11,772
Lease liability	**858**	656
Liabilities directly associated with the assets classified as held for sale	**75,450**	84,990
Net liabilities directly associated with the Disposal Group	**(10,261)**	(7,260)

The net cash flows incurred by the Disposal Group for the period from 1 January 2021 to the date of Disposal and the year ended 31 December 2020 are as follows:

	Period from 1 January 2021 to 31 July 2021 *RMB'000* **(unaudited)**	Year ended 31 December 2020 *RMB'000*
Operating activities	**(7,715)**	13,811
Investing activities	**(1,228)**	(1,376)
Financing activities	**(1,987)**	(40)
Net cash inflow/(outflow)	**(10,930)**	12,395
Earnings/(loss) per share:		
Basic and diluted, from the discontinued operations	**RMB0.003**	RMB(0.012)

The calculations of basic and diluted earnings/(loss) per share from the discontinued operations are based on:

	2021 (unaudited)	2020
Profit/(loss) attributable to ordinary equity holders of the parent from the discontinued operations	**RMB7,397,000**	RMB(26,467,000)
Weighted average number of ordinary shares used in the basic and diluted earnings/(loss) per share calculation *(note 24)*	**2,249,015,410**	2,249,015,410

9. DIVIDEND

At a meeting of the Directors held on 29 March 2022, the Directors did not recommend a final dividend for the year ended 31 December 2021 (2020: nil).

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,249,015,410 (2020: 2,249,015,410) in issue during the year ended 31 December 2021.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2021 and 2020 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 the current and prior years.

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*
31 December 2021							
Cost:							
At 1 January 2021	40,439	31,184	613	2,403	139,871	42,958	257,468
Additions from continuing operations *(note 3)*	339	581	21	345	15	16,965	18,266
Transferred from CIP	634	3,112	–	–	–	(3,746)	–
Disposals	–	(1,774)	–	(1,202)	–	–	(2,976)
At 31 December 2021	41,412	33,103	634	1,546	139,886	56,177	272,758
Accumulated depreciation and impairment:							
At 1 January 2021	22,376	19,728	427	2,196	55,822	1,488	102,037
Provided for the year from continuing operations *(note 6)*	1,583	1,413	55	97	4,003	–	7,151
Disposals	–	(1,583)	–	(1,136)	–	–	(2,719)
At 31 December 2021	23,959	19,558	482	1,157	59,825	1,488	106,469
Net carrying amount:							
At 1 January 2021	18,063	11,456	186	207	84,049	41,470	155,431
At 31 December 2021	17,453	13,545	152	389	80,061	54,689	166,289

	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*
31 December 2020							
Cost:							
At 1 January 2020	40,352	70,243	1,327	2,663	135,454	38,578	288,617
Additions from continuing operations *(note 3)*	–	851	16	–	4,417	9,416	14,700
Additions from discontinued operations	–	339	32	700	–	3,989	5,060
Transferred from CIP	87	4,913	–	90	–	(5,090)	–
Disposals in discontinued operations	–	(3,627)	–	–	–	–	(3,627)
Transferred from assets held for sale	–	9,322	–	–	–	–	9,322
Cost included in discontinued operations	–	(51,936)	(781)	(1,057)	–	(4,069)	(57,843)
Exchange realignment	–	1,079	19	7	–	134	1,239
At 31 December 2020	40,439	31,184	613	2,403	139,871	42,958	257,468
Accumulated depreciation and impairment:							
At 1 January 2020	20,838	21,714	735	2,193	49,745	2,543	97,768
Provided for the year from continuing operations *(note 6)*	1,538	2,011	45	77	6,077	–	9,748
Provided for the year from discontinued operations	–	10,401	87	140	–	–	10,628
Impairment recognised during the year from discontinued operations *(note 8(a))*	–	17,209	–	–	–	–	17,209
Disposals	–	(3,543)	–	–	–	–	(3,543)
Transferred from assets held for sale	–	6,915	–	–	–	–	6,915
Depreciation and impairment included in discontinued operations	–	(35,271)	(451)	(218)	–	(1,084)	(37,024)
Exchange realignment	–	292	11	4	–	29	336
At 31 December 2020	22,376	19,728	427	2,196	55,822	1,488	102,037
Net carrying amount:							
At 1 January 2020	19,514	48,529	592	470	85,709	36,035	190,849
At 31 December 2020	18,063	11,456	186	207	84,049	41,470	155,431

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 made.

12. INTANGIBLE ASSETS

	Mining rights *RMB'000*	**Exploration rights and assets** *RMB'000*	**Total** *RMB'000*
31 December 2021			
Cost:			
At 1 January and 31 December 2021	**800,295**	**65,991**	**866,286**
Accumulated amortisation and impairment:			
At 1 January 2021	**130,683**	**–**	**130,683**
Amortisation provided during the year *(note 6)*	**582**	**–**	**582**
At 31 December 2021	**131,265**	**–**	**131,265**
Net carrying amount:			
At 1 January 2021	**669,612**	**65,991**	**735,603**
At 31 December 2021	**669,030**	**65,991**	**735,021**

	Mining rights *RMB'000*	Exploration rights and assets *RMB'000*	Total *RMB'000*
31 December 2020			
Cost:			
At 1 January and 31 December 2020	800,295	65,991	866,286
Accumulated amortisation and impairment:			
At 1 January 2020	129,620	–	129,620
Amortisation provided during the year *(note 6)*	1,063	–	1,063
At 31 December 2020	130,683	–	130,683
Net carrying amount:			
At 1 January 2020	670,675	65,991	736,666
At 31 December 2020	669,612	65,991	735,603

As at 31 December 2021, the mining rights of Maoling Mine with a net carrying amount of RMB19,321,000 (31 December 2020: RMB19,903,000) were pledged to secure the Group's bank loans (note 22(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. During the reporting period, the Group entered into certain long-term lease contracts for items of plant and machinery. Lump sum payments were made upfront to acquire the leased office premises with lease periods of 3 years, and no ongoing payments will be made under the terms of these leases. Leases of office premises have lease term between 1 and 2 years. Leases of plant and machinery generally have lease term between 1 and 2 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 year 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**
Lease modification	**–**	**(4,196)**	**(4,196)**
Lease termination	**(153)**	**–**	**(153)**
Exchange realignment	**(25)**	**–**	**(25)**
Depreciation charged in continuing operations *(note 6)*	**(380)**	**(1,123)**	**(1,503)**
As at 31 December 2021	**14**	**1,018**	**1,032**

	Office premises *RMB'000*	Plant and machinery *RMB'000*	Total *RMB'000*
As at 1 January 2020	2,725	453	3,178
Additions from continuing operations	–	8,066	8,066
COVID-19-related rent concessions from lessors in continuing operations	(232)	–	(232)
COVID-19-related rent concessions from lessors in discontinued operations	(22)	–	(22)
Depreciation charged in continuing operations *(note 6)*	(769)	(1,730)	(2,499)
Depreciation charged in discontinued operations	(583)	–	(583)
Impairment recognised in discontinued operations *(note 8)*	–	(452)	(452)
Assets included in discontinued operations *(note 8)*	(547)	–	(547)
As at 31 December 2020	572	6,337	6,909

(b) Lease liabilities

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

	2021	2020
	RMB'000	*RMB'000*
Carrying amount at 1 January	**7,263**	2,629
New leases from continuing operations	**–**	8,066
Accretion of interest recognised during the year from continuing operations *(note 5)*	**198**	330
Accretion of interest recognised during the year from discontinued operations	**–**	23
COVID-19-related rent concessions from lessors of continuing operations	**–**	(232)
COVID-19-related rent concessions from lessors of discontinued operations	**–**	(22)
Lease modification	**(4,196)**	–
Lease termination	**(137)**	–
Payments from continuing operations	**(423)**	(2,313)
Payments from discontinued operations	**–**	(562)
Liabilities directly associated with assets included in discontinued operations *(note 8)*	**–**	(656)
Carrying amount at 31 December	**2,705**	7,263
Analysed into:		
Current portion	**2,305**	3,945
Non-current portion	**400**	3,318

As disclosed in note 2.2 to the financial statements, the Group has applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain plant and equipment during the year.

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

	2021	2020
	RMB'000	*RMB'000*
Interest on lease liabilities		
– from continuing operations *(note 5)*	**198**	330
– from discontinued operations	**–**	23
Depreciation charge of right-of-use assets		
– from continuing operations *(note 13(a))*	**1,503**	2,499
– from discontinued operations	**–**	583
Losses relating to lease termination	**16**	–
Expense relating to short-term leases (included in administrative expenses) *(note 6)*	**99**	614
Total amount recognised in profit or loss	**1,816**	4,049

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Note	2021 *RMB'000*	2020 *RMB'000*
Current portion:			
Prepayments consisting of:			
Purchase of raw materials		**120**	705
Utilities		**191**	220
Prepayment for the maintenance of a road		**47**	47
Other prepayments		**1,254**	1,208
Other receivables consisting of:			
Deductible value added tax input		**1,122**	1,708
Other receivables		**2,303**	1,409
		5,037	5,297
Impairment allowance	*(a)*	**(604)**	(604)
		4,433	4,693
Non-current portion:			
Prepayment for the maintenance of a road		**484**	538
Long-term deposit		**402**	428
		886	966
		5,319	5,659

Note:

(a) The movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	2021 *RMB'000*	2020 *RMB'000*
At beginning of year	**604**	606
Amount written off as uncollectible	**–**	(2)
At end of year	**604**	604

Where applicable, impairment analysis is performed at each reporting date by considering expected credit losses, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2021 ranged 0.0% to 100.0% (31 December 2020: 0.0% to 100.0%).

15. DEFERRED TAX

The movements in deferred tax assets during the year 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 year from continuing operations *(note 7)*	1,981	(339)	348	(40)	91	2,041
Deferred tax assets at 31 December 2020	5,780	5,301	679	2,235	829	14,824
At 1 January 2021	5,780	5,301	679	2,235	829	14,824
Deferred tax credited/(charged) to profit or loss during the year from continuing operations *(note 7)*	(2,491)	(430)	352	(33)	(14)	(2,616)
Deferred tax assets at 31 December 2021	3,289	4,871	1,031	2,202	815	12,208

As at 31 December 2021, the Group has tax losses arising from Mainland China of RMB408,363,000 (31 December 2020: RMB1,051,268,000) that would expire in one to five years and other deductible temporary differences of RMB115,431,000 (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 they can be utilised.

Deferred tax assets related to the PRC subsidiaries have been provided at the enacted corporate income tax rate of 25%.

Pursuant to the income tax rules and regulations of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement has been effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The withholding tax rate for the Group is 10%.

As at 31 December 2021, no deferred tax liability has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

16. INVENTORIES

	2021	2020
	RMB'000	*RMB'000*
Raw materials	**5,569**	3,549
Spare parts and consumables	**2,447**	2,236
Finished goods	**3,911**	56
	11,927	5,841
Provision for inventories	**(27)**	(27)
	11,900	5,814

17. TRADE AND BILLS RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Trade receivables	**208,279**	187,702
Impairment	**(7,204)**	(11,334)
Trade receivables, net of impairment	**201,075**	176,368
Bills receivable	**2,580**	5,392
	203,655	181,760

The Group's trading terms with its customers are mainly on credit. During the year, the Group granted credit terms ranging from two months to six months to its customers for the 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:

	2021	2020
	RMB'000	*RMB'000*
Within 3 months	**137,059**	176,368
3 to 6 months	**64,016**	–
	201,075	176,368

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

	2021	2020
	RMB'000	*RMB'000*
At beginning of year	**11,334**	12,813
Reversal of impairment losses, net *(note 6)*	**(4,130)**	(1,479)
At end of year	**7,204**	11,334

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 and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due and are not subject to enforcement activity.

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

As at 31 December 2021

	Current	**Past due**	**Total**
Expected credit loss rate		**100%**	**3.5%**
Gross carrying amount *(RMB'000)*	**201,075**	**7,204**	**208,279**
Expected credit losses *(RMB'000)*	**–**	**7,204**	**7,204**

As at 31 December 2020

	Current	Past due	Total
Expected credit loss rate	2.3%	100%	6%
Gross carrying amount *(RMB'000)*	180,498	7,204	187,702
Expected credit losses *(RMB'000)*	4,130	7,204	11,334

Transferred financial assets that are derecognised in their entirety

As at 31 December 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 RMB44,440,000 (31 December 2020: RMB178,896,316) (referred to as the "Derecognised Bills"). The Derecognised Bills have a maturity term from one to seven 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 is equal to their face amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

No gains or losses were recognised from the Continuing Involvement, both during the year and cumulatively. The endorsement of bills receivable have been made evenly throughout the year.

18. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Note	2021 *RMB'000*	2020 *RMB'000*
Cash and bank balances		**16,462**	32,973
Less: pledged time deposits for:			
Issue of bills payable		**26**	25
Other payables	*(a)*	**–**	303
Bank loans	*(b)*	**10,000**	–
		10,026	328
Cash and cash equivalents		**6,436**	32,645

Notes:

(a) As at 31 December 2020, deposits amounting to RMB303,000 were restricted to secure the Group's other payables to a construction supplier.

(b) As at 31 December 2021, deposits amounting to RMB10,000,000 were restricted to secure the Group's bank loan granted by Shanghai Pudong Development Bank.

The Group's cash and bank balances are denominated in RMB at the end of each reporting period, except for the following:

	2021 *RMB'000*	2020 *RMB'000*
Cash and bank balances denominated in:		
HKD	**473**	614
USD	**31**	36
SGD	**590**	101

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

19. TRADE PAYABLES

An ageing analysis of the trade 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:

	2021	2020
	RMB'000	*RMB'000*
Within 180 days	**23,303**	24,664
181 to 365 days	**2,115**	1,001
1 to 2 years	**3,814**	766
2 to 3 years	**189**	203
Over 3 years	**3,656**	3,859
	33,077	30,493

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

20. CONTRACT LIABILITIES

	2021	2020
	RMB'000	*RMB'000*
Short-term advances received from customers		
Sale of self-produced high-grade iron concentrates from continuing operations	**6,166**	2,277

The movement of contract liabilities in continuing operations for the years ended on 31 December 2021 and 2020 was mainly due to the increase in short-term advances received from customers in relation to the sale of self-produced high-grade iron concentrate at the end of the year.

Changes in contract liabilities during the reporting periods are as follows:

	2021	2020
	RMB'000	*RMB'000*
At 1 January	**2,277**	5,820
Revenue recognised that was included in the contract liabilities at the beginning of year		
– from continued operations	**(2,277)**	–
– from discontinued operations	**–**	(5,820)
Increase due to cash received, excluding amounts recognised as revenue during the year	**6,166**	2,277
At 31 December	**6,166**	2,277

21. OTHER PAYABLES AND ACCRUALS

	2021	2020
	RMB'000	*RMB'000*
Current portion:		
Payables related to:		
Construction in progress	**19,778**	24,217
Taxes other than income tax	**6,636**	8,586
Exploration and evaluation assets	**8,418**	8,922
Payroll and welfare payable	**7,868**	10,307
Consultancy and professional fees	**2,358**	2,141
Deposits received	**4**	4
Accrued government surcharges	**4,529**	4,529
Accrued interest expenses	**534**	107
Other payables	**9,868**	4,441
	59,993	63,254
Non-current portion:		
Other payables	**700**	700
	700	700
	60,693	63,954

22. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	**2021** **RMB'000**	2020 RMB'000
Bank loans – Secured	*(a)*	**79,612**	79,615
Other borrowings – Secured	*(b)*	**–**	5,120
Other borrowings – Unsecured	*(c)*	**12,580**	–
		92,192	84,735
Analysed into:			
Bank loans repayable:			
Within one year or on demand		**5,000**	79,615
In the second year		**74,612**	–
		79,612	79,615
Other borrowings repayable:			
Within one year or on demand		**12,580**	5,120
Total bank and other borrowings		**92,192**	84,735
Balances classified as current liabilities		**(17,580)**	(84,735)
Balances classified as non-current liabilities		**74,612**	–

	2021	2020
	(Effective interest rate)	
Bank loans	**4.35%**	4.35%
Other borrowings	**6.50%-8.00%**	5.51%

Notes:

(a) As at 31 December 2021 the Group's bank loans of RMB79,612,000 (31 December 2020: RMB79,615,000) are secured by:

(i) mining rights of Maoling Mine;

(ii) 100% equity of Aba Mining held by Sichuan Lingyu; and

(iii) a pledged deposit of RMB10,000,000.

In addition, Akuang Trading and Sichuan Lingyu have guaranteed the bank loans up to RMB79,612,000 (2020: RMB79,615,000) as at 31 December 2021 and 31 December 2020.

(b) The balance as at 31 December 2020 mainly represented the 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.

(c) The balance as at 31 December 2021 mainly consists 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 twelve months.

23. PROVISION FOR REHABILITATION

	2021	2020
	RMB'000	*RMB'000*
At beginning of year	**13,654**	12,847
Unwinding of discount *(note 5)*	**869**	807
At end of year	**14,523**	13,654

24. SHARE CAPITAL

	2021	2020
Number of ordinary shares		
Authorised ordinary shares of HKD0.1	**10,000,000,000**	10,000,000,000
Issued and fully paid ordinary shares of HKD0.1	**2,249,015,410**	2,249,015,410

	2021	2020
	RMB'000	*RMB'000*
Amounts		
Issued and fully paid ordinary shares of HKD0.1	**197,889**	197,889

25. DISPOSAL OF SUBSIDIARIES

	31 July 2021
	RMB'000
	(unaudited)
NET LIABILITIES DISPOSED OF:	
Property, plant and equipment	21,824
Right-of-use assets	1,078
Inventories	11,639
Trade and bills receivables	5,113
Contract assets	1,911
Prepayments, other receivables and other assets	3,611
Cash and cash equivalents	3,598
Assets classified as held for sale	16,415
Trade payables	(13,871)
Other payables and accruals	(36,067)
Interest-bearing bank and other borrowings	(15,663)
Due to related parties	(8,991)
Lease liabilities	(858)
	(10,261)
Add:	
Non-controlling interests derecognised on completion of the Disposal	6,247
Other costs attributable to the Disposal	591
Gain on disposal of subsidiaries	10,723
	7,300
Satisfied by:	
Cash	7,300

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	RMB'000
Cash consideration	7,300
Cash and bank balances disposed of	(3,598)
Other costs attributable to the Disposal	(591)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	3,111

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of independent auditor's report issued by the Company's independent auditor:

"Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for qualified opinion

As disclosed in notes 10 and 31 to the consolidated financial statements, the Group completed the disposal of its 81% equity interest in Mancala Holdings Limited and its subsidiaries (together as the "Disposal Group") on 31 July 2021, the date on which the Disposal Group ceased to be subsidiaries of the Group. The principal activities of the Disposal Group were mainly specialised mining services in Australia, which were presented as a discontinued operation. The cash used in operating activities, investing activities and financing activities of discontinued operations for the period from 1 January 2021 to the date of disposal of RMB7,715,000, RMB1,228,000, and RMB1,987,000, respectively, and the net inflow of cash in respect of the disposal of subsidiaries of RMB3,111,000 were disclosed in the consolidated statement of cash flows (the "Cash Flows from the discontinued operations"). The corresponding disclosures of the Disposal Group are set out in notes 10 and 31 to the consolidated financial statements.

As a result of the disposal, we have not been able to gain access to the accounting records of the Disposal Group. Accordingly, we were unable to perform audit procedures that we consider necessary to obtain sufficient and appropriate audit evidence to satisfy ourselves for the financial information of the Disposal Group for the period from 1 January 2021 to the date of disposal (the "Financial Information of the Disposal Group"). Consequently, we were unable to determine whether any adjustments might be necessary in respect of the Financial Information of the Disposal Group disclosed in the consolidated financial statements for the year ended 31 December 2021. Any adjustments found necessary may have a consequential effect on the Cash Flows from the discontinued operations disclosed in the consolidated statement of cash flows for the year ended 31 December 2021 and the figures and information disclosed in notes 10 and 31 to the consolidated financial statements."

SUPPLEMENTARY INFORMATION REGARDING THE QUALIFIED OPINION RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE MANCALA AUSTRALIA GROUP

Ernst & Young, the auditor of the Company (the "Auditor") has rendered a qualified opinion ("Qualified Opinion") relating to the consolidated financial statements of the Mancala Australia Group, the disposal of which had been completed on 31 July 2021.

Set out below is the supplementary information regarding the aforesaid Qualified Opinion:

(1) Background of the disposal of the Mancala Australia Group

On 31 July 2021, the Company completed the disposal of the Mancala Australia Group through the disposal of 81% equity interest in Mancala Holdings to PT. Hay Wei for a consideration of AUD1.5 million. Upon completion of the disposal of the Mancala Australia Group, the Group could no longer govern and/or exercise control over the Mancala Australia Group's financial and operating policies, which thus did not meet the definition of control in accordance with IFRS 10 Consolidated Financial Statements. Consequently, the Group has deconsolidated the Mancala Australia Group since 31 July 2021. Please refer to notes 8 and 25 to the financial statements for further details.

(2) Management's view on the financial statements of the Mancala Australia Group

The Group recognises that timely and accurate financial reporting is important to the Shareholders. The management of the Company has had ongoing and regular discussions with the Auditor throughout the preparation process of the Group's consolidated financial statements for the year ended 31 December 2021.

The management understands that the Qualified Opinion was issued on the ground that the financial statements of the Mancala Australia Group were consolidated in the Group's audited financial statements based on the unaudited management accounts of the Mancala Australia Group for the period from 1 January 2021 to 31 July 2021 (i.e the date on which the Mancala Australia Group ceased to be part of the Group upon completion of the Disposal) (the "Relevant Period"), and has also considered the following:

a) the audit process for the Mancala Australia Group for the Relevant Period has been subjected to administrative delay since the aforesaid loss of management control upon completion of the Disposal on 31 July 2021, which has further been affected by various control measures and travel restrictions triggered by the resurgence of COVID-19 infections in Australia;

b) the qualification given in the auditor's report is confined only to the Mancala Australia Group, which had since been isolated and re-classified as Discontinued Operations in the Group's financial statements. Further, such qualification is specifically limited only to the following items as set out in the Group's audited consolidated financial statements:

    - the cash flows items in relation to the Discontinued Operations in the consolidated statement of cash flows for the year ended 31 December 2021; and

    - the results of the Mancala Australia Group for the period from 1 January 2021 to 31 July 2021 including the carrying amounts of assets and liabilities of the Mancala Australia Group as at 31 July 2021 and the corresponding disclosures as set out in notes 8 and 25 to the financial statements.

c) the Qualified Opinion does not affect the true and fair view of the Group's consolidated financial statements for its Continuing Operations; and the impact of the Qualified Opinion is also considered immaterial given that such opinion does not have any net financial impact on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of cash flows, having considered the isolated effects of the subject matter relative to the Group's audited financial statements as a whole.

Given the abovementioned, the management is of the view that it would be operationally practical for the Group to consolidate its audited financial statements based on the management accounts of the Mancala Australia Group without delaying the issuance of the Group's annual result while the COVID-19 related restrictions remained largely in place during the Group's audit process which have hindered the related audit progress for the Mancala Australia Group. Hence, the management is of the view that the subject matter is not pervasive and is immaterial to influence decisions that the primary users of general-purpose financial statements may make on the basis of the consolidated financial statements for its Continuing Operations.

(3) Audit Committee's view

The audit committee of the Company (the "Audit Committee") has been supervising the financial reporting process and held a meeting on 29 March 2022, in which it has considered the explanation made by the Auditor and the management in connection with the audit works for the Mancala Australia Group and the Qualified Opinion in relation to the consolidated financial statements of the Mancala Australia Group. The Audit Committee confirmed that it had independently reviewed, and after due and careful consideration, it agreed with the management's view on the Qualified Opinion for the reasons stated in paragraph headed "Management's view on the financial statements of the Mancala Australia Group".

The Audit Committee also acknowledges the practical difficulties in conducting audit works for the Mancala Australia Group for the reasons stated above, and that the relevant audit procedures required to be performed by the Auditor were in fact affected by the administrative delay in having timely communications with the management of the Mancala Australia Group for audit purposes since the completion of the Disposal, which was beyond the Group management's control. The audit process has also been affected by the control measures and travel restrictions triggered by the resurgence of the COVID-19 infections in Australia that it would be impractical to complete the audit for the Mancala Australia Group for the Relevant Period before the reporting timeline for the Group's annual results. More importantly, the Audit Committee concurs with the management's view that the use of unaudited management accounts of the Mancala Australia Group for the Group's financial reporting purpose has not caused any pervasive or material impact to the Group's consolidated financial statements for its Continuing Operations from an overall perspective. The financial statements of the Group presented herein remain a true and fair view, in all material aspect, for its Continuing Operations and the Group's operations, except for the scope relating to the Mancala Australia Group as highlighted in notes 8 and 25 to the financial statements.

In spite of the aforesaid, the Audit Committee has required the preparation of unaudited management accounts of Mancala Australia Group to be in compliance with IAS 1 Presentation of Financial Statements and IFRS 10 Consolidated Financial Statements for purposes of the Group's financial reporting and presentation of the Group's audited financial statements.

Given the above, the Audit Committee does not dispute the Qualified Opinion issued in relation to the Mancala Australia Group for the year ended 31 December 2021.

(4) Impact of the audit qualification

As disclosed in the independent auditor's report from the Auditor, the Qualified Opinion relates specifically to the Mancala Australia Group for the year ended 31 December 2021 only. Given that the Mancala Australia Group will no longer be consolidated in the financial statements of the Group in the year ending 31 December 2022, the issues which gave rise to the Qualified Opinion will not affect the consolidated financial statements of the Group for the year ending 31 December 2022 save that the consolidated financial statements for the year ended 31 December 2021 will be presented as comparative figures therein.

As reiterated, the financial statements of the Group presented herein remain a true and fair view, in all material aspect, for its Continuing Operations and the Group's operations, except for the following:

- the cash flows items in relation to the Discontinued Operations in the consolidated statement of cash flows for the year ended 31 December 2021; and

- the results of the Mancala Australia Group for the period from 1 January 2021 to 31 July 2021 including the carrying amounts of assets and liabilities of the Mancala Australia Group as at 31 July 2021 and the corresponding disclosures as set out in notes 8 and 25 to the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the Reporting Period, the Group observed the following industrial developments and market statistics:

- With increasing global COVID-19 vaccination rates, the world economy has been recovering progressively but the pace of such recovery has been constrained by the emergence of the Omicron variant and thus could remain uneven.

- In China, with the rigorous implementation of various policies and related control measures to curb the viral spread of COVID-19, infection rates were kept at a low level throughout 2021. Production activities were able to resume and the economy recovered gradually. However, such strict restrictions seem to have delayed supply chain recovery for various industries.

- China's Gross Domestic Product ("GDP") growth for 2021 released by the National Bureau of Statistics of the PRC was 8.1% year-on-year, which was well above the initial target of 6%. As growth slowed progressively in 2021, down from 18.3% in the first quarter of 2021 to 4.0% in the fourth quarter of 2021, the GDP in 2022 is expected to decelerate further reflecting multiple headwinds.

- Steel prices in China surged in May 2021 to over RMB6,760 per tonne as a result of the output reduction combined with the rise in demand during the construction peak season, which subsequently saw a sharp correction to about RMB5,274 per tonne towards the year end following the government interventions and the end of peak seasons of certain industries.

- Steel production suffered throughout 2021 due to falling demand, which saw output continue to fall since April 2021, reaching the lowest point in November 2021 with only 69.3Mt produced, down 22% compared with the same period in 2020.

- To meet emission reduction goals and alleviate the straining power supply, the Chinese government has restricted the production output of high emission and energy-intensive industries from November 2021 to March 2022, affecting the overall output of steel as well as the global supply chain for steel.

- Under output reduction policies, both prices and the supply-and-demand chain for crude iron ore fell from June 2021 to December 2021. The China Iron Ore Price Index ("CIOPI") compiled by the China Iron and Steel Association showed a continual drop in prices. The crude iron ore price index had been on a downtrend after peaking at 771.62 in mid-June 2021. Similarly, the price level for the 62% TFe iron ore has fallen to about RMB800 per tonne in late 2021 after reaching a high of approximately RMB1,334 per tonne in July 2021.

- The domestic output of crude iron ore experienced a contraction in 2021, but was still higher than the year-on-year output of 2020. The drop in iron ore output during the year was attributed to the lackluster steel demand, rigorous government lockdowns, and power rationing due to coal shortages.

- The Chinese Purchasing Managers' Index ("PMI") showed an uneven recovery in the manufacturing sector that it maintained above the threshold of 50.0 for the first eight months of 2021, but slipped below the threshold to 49.6 in September 2021, and rebounded back to 50.3 in December 2021. The PMI of the steel sector recorded an overall negative growth which remained below the threshold of 50.0 throughout the year with a peak at 45.0 in September 2021 but dropped to a new low at 36.6 in November 2021, and bounced back to 38.7 in December 2021.

- China pledged to achieve carbon peaking by 2030 and carbon neutrality by 2060 at the United Nations General Assembly in September 2021 and has subsequently implemented production capacity reduction and output control measures accordingly. In addition, the China Iron and Steel Association introduced five main directions for the steel industry in October 2021 to tackle increasing costs and fluctuating prices, namely, (i) supply-side structural reform, (ii) strengthening of industry supply chains, (iii) adherence to green and low carbon directives and technological innovation, (iv) matching the standards of top domestic and international firms, and (v) accelerated digitalisation.

- The National Development and Reform Commission of the PRC also released the "Implementation Plan for Carbon Dioxide Peaking of the Steel Industry" at the end of 2021. The plan highlighted emission goals and roadmaps for the industry and scientifically analysed emission reduction measures, focusing on reducing at source, rigorous process control, and betterment of end-of-pipe treatment, which aims to foster the transformation to a sustainable economy and society.

BUSINESS AND OPERATIONS REVIEW

Operation and Financial Overview

During the Reporting Period, the Remaining Group reported higher revenue, which increased by 46.4% to approximately RMB714.8 million for FY2021. The Remaining Group recorded higher revenue despite (i) 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 disruptions to telecommunication and electricity supply in the affected areas in Wenchuan County and (ii) temporary traffic control arrangements in Aba Prefecture between July and August 2021, which affected supply chain and production operations of the Maoling Mine (the "Temporary Traffic Control Arrangements").

During the Reporting Period:

- production volume fell by approximately 41.4% mainly due to the Production Suspension and Temporary Traffic Control Arrangements;

- average selling price for high-grade iron concentrates increased by approximately 32.6% mainly driven by the recovery in demand during the construction peak season, but the Chinese government's clampdown against commodity speculators partially offset such increase;

- trading activities increased due to higher steel demand during the Reporting Period as a result of the fiscal stimulus policies in China which saw higher infrastructure spending. The Group's overall purchase and sales volumes of trading activities were approximately 140.2 Kt, representing a rise of 14.4% as compared to FY2020;

- cost of sales increased on the back of higher average steel prices (rising by close to 43%) and higher unit production cost. As a result, the Remaining Group recorded a lower gross profit at approximately RMB24.7 million as compared to RMB46.6 million for FY2020, whereas, gross profit margin fell to 3.5% for FY2021 as compared to 9.5% for FY2020; and

- administrative expenses comprising mainly staff cost and professional services cost fell to approximately RMB19.0 million as compared to RMB30.5 million for FY2020 as a result of costs saving on the back of operational streamlining.

Details of the financial performance of the Group are set out on pages 49 and 50 of this announcement.

Overview of Mines

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

High Fe Mines and Shigou Gypsum Mine

Mine	**Processing Plant**	**Status as at 31 December 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**		
	FY2021	FY2020	Change	**FY2021**	FY2020	Change
	(Kt)	*(Kt)*	*%*	***(Kt)***	*(Kt)*	*%*
(i) Trading Sales						
Steels	140.2	122.5	14.4	**140.2**	122.5	14.4

	Production volume (Dry basis)			**Sales volume (Dry basis)**		
	FY2021	FY2020	Change	**FY2021**	FY2020	Change
	(Kt)	*(Kt)*	*%*	***(Kt)***	*(Kt)*	*%*
(ii) Sale of Self-produced Products						
High-grade iron concentrates	49.7	84.8	(41.4)	**46.9**	86.5	(45.8)

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:

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

- unfavourable price fluctuations of iron concentrates, lower-than-expected capacity utilisation rate, negative market sentiment as a result of geopolitical tensions, the COVID-19 pandemic and change in demand 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 implementing 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 disposal of the Mancala Australia Group (the "Disposal Group") was completed on 31 July 2021. As such the following Group results comprised the results of the Disposal Group for the 7 months ended 31 July 2021 which are made up of (i) net operating loss of RMB4.1 million and (ii) a one-off gain on the Disposal amounting to RMB10.7 million. The Group has ceased to recognise the financial results of and deconsolidated the Disposal Group as at 31 July 2021.

	FY2021 *RMB'000*	FY2020 *RMB'000*	Variance %
REMAINING GROUP			
Revenue	**714,760**	488,135	46.4
Cost of sales	**(690,098)**	(441,548)	56.3
Gross profit	**24,662**	46,587	(47.1)
Other income and gain	**3,888**	3,864	0.6
Selling and distribution expenses	**(373)**	(4,572)	(91.8)
Administrative expense	**(19,003)**	(30,515)	(37.7)
Other expenses	**(2,288)**	(3,212)	(28.8)
Reversal of impairment losses, net	**4,130**	1,479	179.2
Finance costs	**(5,393)**	(5,598)	(3.7)
Operating profit before tax from the Remaining Group	**5,623**	8,033	(30.0)
Income tax credit/(expense)	**(4,641)**	250	NM
Operating profit after tax from the Remaining Group	**982**	8,283	(88.1)
DISPOSAL GROUP			
Loss for the year from the Disposal Group	**(4,107)**	(32,675)	(87.4)
Net gain on the Disposal	**10,723**	–	N/A
	6,616	(32,675)	(120.2)
Profit/(Loss) for the year	**7,598**	(24,392)	(131.1)
ATTRIBUTABLE TO:			
Owners of the Company	**8,311**	(17,054)	(148.7)
Non-controlling interests	**(713)**	(7,388)	(90.3)
	7,598	(24,392)	(131.1)

	FY2021	FY2020	Variance
	RMB'000	*RMB'000*	*%*
ATTRIBUTABLE TO:			
Owners of the Remaining Group	**914**	9,413	(90.3)
Non-controlling interests	**68**	(1,130)	(106.0)
	982	8,283	(88.1)
ATTRIBUTABLE TO:			
Owners of the Disposal Group	**7,397**	(26,467)	(127.9)
Non-controlling interests	**(781)**	(6,208)	(87.4)
	6,616	(32,675)	(120.2)

Revenue

Revenue increased to approximately RMB714.8 million for FY2021 (FY2020: RMB488.1 million) due mainly to (i) higher trading activities and (ii) higher average selling price of high-grade iron concentrates, which are mainly attributable to pent-up demand during the first three quarters of 2021, which subsequently subsided as the Chinese government took steps to cool off rising commodity prices amid warnings of a government clampdown against commodity speculators and market volatility.

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 RMB690.1 million for FY2021 (FY2020: RMB441.5 million) due mainly to (i) higher cost of purchases for trading as a result of higher average steel prices which rose by close to 43% and (ii) delivery charges of iron concentrates being included as part of the cost of sales in FY2021 following the change in delivery arrangement.

Gross Profit and Margin

Gross profit fell to approximately RMB24.7 million for FY2021 (FY2020: RMB46.6 million) due to lower profitability from the High-Fe Mining Operation while the Group's gross profit margin fell to approximately 3.5% for FY2021 (FY2020: 9.5%) which is mainly attributable to falling commodity prices and higher unit production cost for High-Fe Mining Operation.

Other Income and Gain

Other income and gain were RMB3.9 million for FY2021 (FY2020: RMB3.9 million), which comprise mainly proceeds from the sale of mine tailings of RMB2.5 million (FY2020: RMB2.0 million).

Selling and Distribution Expenses

The selling and distribution expenses primarily comprise delivery, logistics, storage and warehousing costs. Selling and distribution expenses fell to approximately RMB0.4 million for FY2021 (FY2020: RMB4.6 million) mainly because delivery charges of iron concentrates in FY2021 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 FY2020.

Administrative Expenses

Administrative expenses, mainly comprising staff related expenses, professional fees and other fixed operating overhead associated with the Production Suspension, fell to approximately RMB19.0 million for FY2021 (FY2020: RMB30.5 million) which is mainly due to (i) cost saving arising from operational streamlining and (ii) the absence of one-off resource taxes of RMB8.7 million which the Group incurred in FY2020.

Other Expenses

Other expenses, which primarily comprise cost of processing mine tailings (which the Group started in April 2020), fell to approximately RMB2.3 million for FY2021 (FY2020: RMB3.2 million).

Reversal of Impairment Losses, Net

The management of the Group has updated the key assumptions of the business projection in respect of the cash-generating unit ("CGU") of the Remaining Group (the "Remaining Group CGU"), which is highly dependent on the estimation of future commodity prices, mining plans, future capital expenditure plans, discount rates and market conditions. As at 31 December 2021, the management of the Group is of the opinion that there is no impairment of the Remaining Group CGU, barring unforeseen circumstances. However, the management of the Group is mindful of the existing market conditions which appear to be highly volatile and unpredictable and will continue to assess the underlying assumptions applicable to its business projections (subject to regular reviews and revisions in relation to impairment tests) if there are factors indicating that the business conditions relating to Remaining Group CGU may deteriorate to a level which requires accounting impairment as a result of the market forces.

During the Reporting Period, the reversal of impairment loss amounted to approximately RMB4.1 million for FY2021 (FY2020: RMB1.5 million) as a result of subsequent collection of trade receivables.

Finance Costs

Finance costs remain relatively unchanged at approximately RMB5.4 million for FY2021 (FY2020: RMB5.6 million).

Income Tax Credit/(Expense)

The Group recorded an income tax expense of approximately RMB4.6 million for FY2021 (FY2020: income tax credit of RMB0.3 million), due mainly to higher tax expenses for its profitable High-Fe Mining Operation and trading businesses.

Profit/(Loss) Attributable to Owners

Given the above and including the gain from disposal of the Mancala Australia Group amounting to RMB10.7 million, the Group recorded a net profit attributable to owners of approximately RMB8.3 million for FY2021, reversing a net loss attributable to owners of RMB17.1 million for FY2020.

Final Dividend

The Board does not recommend the payment of a final dividend for FY2021 (FY2020: Nil).

LIQUIDITY AND CAPITAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for FY2021 and FY2020:

	FY2021		FY2020	
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Cash and cash equivalents as stated in the consolidated statement of cash flows at beginning of the year		**47,173**		26,689
Net cash flows from/(used in) operating activities	**(18,218)**		36,842	
Net cash flows used in investing activities	**(21,619)**		(8,226)	
Net cash flows used in financing activities	**(1,603)**		(4,692)	
Net increase/(decrease) in cash and cash equivalents		**(41,440)**		23,924
Effect of foreign exchange rate changes, net		**703**		(3,440)
Cash and cash equivalents as stated in the consolidated statement of cash flows at end of the year		**6,436**		47,173

Net Cash Flows From/(Used In) Operating Activities

The Group's net cash flows used in operating activities were approximately RMB18.2 million for FY2021 (FY2020: from operating activities were RMB36.8 million) after accounting for (i) operating loss before working capital changes of approximately RMB15.3 million (FY2020: RMB25.5 million), (ii) net working capital requirement of approximately RMB21.6 million (FY2020: RMB2.4 million) mainly attributable to an increase in trade receivables which arose from increasingly higher trading activities during the year-end period and (iii) cash used in operating activities of the Mancala Australia Group of approximately RMB7.7 million (FY2020: from operating activities of RMB13.8 million).

Net Cash Flows Used In Investing Activities

The Group's net cash flows used in investing activities were approximately RMB21.6 million for FY2021 (FY2020: RMB8.2 million), due primarily to (i) capital expenditures for the engineering works in preparation for the expansion of the Maoling Mine areas of approximately RMB22.7 million (FY2020: RMB6.4 million), (ii) net proceeds from the disposal of subsidiaries of approximately RMB3.1 million (FY2020:Nil) and (iii) cash used in investing activities of the Mancala Australia Group of approximately RMB1.2 million (FY2020: RMB1.4 million).

Net Cash Flows Used In Financing Activities

The Group's net cash flows used in financing activities were approximately RMB1.6 million for FY2021 (FY2020: RMB4.7 million), due primarily to proceeds from working capital loans and cash used in financing activities of the Mancala Australia Group of approximately RMB2.0 million (FY2020: RMB0.04 million).

FINANCIAL POSITION

Note: Assets and liabilities of the Mancala Australia Group were classified as held for sale as at 31 December 2020 and were subsequently deconsolidated as at 31 July 2021 upon completion of the Disposal. Details of the Discontinued Operations are set out in notes 8 and 25 to the financial statements of this announcement.

Inventories

The Group's inventories, consisting of raw materials, stocks and consumables in relation to High-Fe Mining Operation, were approximately RMB11.9 million as at 31 December 2021 (FY2020: RMB5.8 million), due mainly to (i) raw materials stock for production and (ii) other buffer inventories which have substantially been consumed or sold after the Reporting Period.

Trade and Bills Receivables

The Group's trade and bills receivables increased to approximately RMB203.7 million as at 31 December 2021 (FY2020: RMB181.8 million) on the back of higher revenues. The trade receivables have substantially been collected subsequent to the Reporting Period while the remaining balance falls within the credit period and is expected to be collected before the second quarter of 2022.

Other Receivables

The Group's other receivables fell to approximately RMB4.4 million as at 31 December 2021 (FY2020: RMB4.7 million).

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

The assets and liabilities of a disposal group classified as held for sale as at 31 December 2020 were in relation to the Mancala Australia Group and were subsequently deconsolidated as at 31 July 2021 upon completion of the Disposal.

Trade Payables

The Group's trade payables increased to approximately RMB33.1 million as at 31 December 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 fell to 17 days (FY2020: 40 days) due mainly to early payment to supplier.

Borrowings

Total borrowings of the Group were approximately RMB92.2 million as at 31 December 2021 (FY2020: RMB84.7 million). The increase was due to the additional working capital loan obtained for the Maoling Mine expansion. As at 31 December 2021, all bank loans of the Group were denominated in RMB. Details of the borrowings of the Group are set out in note 22 to the financial statements of this announcement.

Lease Liabilities

The total lease liabilities of the Group were approximately RMB2.7 million (FY2020: RMB7.3 million) which were related to payment obligations in relation to the right-of-use assets that comprised mainly office premises and tailings management facilities. The reduction is due mainly to the lease modification resulting from annual rental reduction of tailing facilities.

Contingent Liabilities

As at 31 December 2021, the maximum amount of contingent liabilities of the Company was RMB730.0 million, which represented the maximum guaranteed 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 were willing to consider releasing the CVT Guarantees provided that the total outstanding loans with the Financial Institutions were fully repaid. Chengyu Vanadium Titano and Huili Caitong have also undertaken that they would continue to make progressive repayment of the outstanding principal loans as scheduled. As at 31 December 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 such counter indemnity in favour of the Company will continue to be in place and remain effective until the CVT Guarantees are released. Save for the above, as at 31 December 2021, the Group did not have any other contingent liabilities.

Pledge of Assets

The Group's pledge of assets as at 31 December 2021 was 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 (i) mining right of Maoling Mine; (ii) 100% equity of Aba Mining held by Sichuan Lingyu and (iii) a pledged deposit of RMB10,000,000.

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 consolidated financial statements for FY2021 or the announcements of the Company in relation to the 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 FY2021.

Except as disclosed in this MD&A and the audited financial statements, there were no other material investments or additions of capital assets that were not related to normal operation 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, HKD, USD and SGD, against the RMB. HKD, USD and SGD are the functional currencies of respective entities within the Group.

The RMB 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.

Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to bank deposits, interest-bearing bank and other borrowings and exchangeable notes (which are subject to fair value interest rate risk).

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. The Group will constantly monitor the economic situation and its interest rate risk profile, and will consider appropriate hedging measures when the needs arise.

Please refer to note 22 to the financial statement of this announcement for more details of the interest rates and terms of repayment of interest-bearing bank and other borrowings.

Contractual Obligations

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

Capital Expenditure

The Group's total capital expenditure increased by RMB3.6 million to approximately RMB18.3 million for FY2021 (FY2020: RMB19.8 million, inclusive of RMB14.7 million attributable to the Remaining Group) due to engineering works performed in preparation for the progressive upgrade of the High-Fe Mining Operation.

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 and 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 31 December 2021, gearing ratio was approximately 8.7% (FY2020: 6.1%).

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2021, the Group had a total of 127 dedicated full time employees (31 December 2020: 191 employees, inclusive of 138 employees from the Remaining Group), including 4 management staff members, 20 technical staff members, 27 administrative and sales & marketing staff members, and 76 operational staff members. For FY2021, the employee benefit expenses (including Directors' remuneration in the form of fees, salaries and other allowances) were approximately RMB14.4 million (FY2020: RMB28.5 million, inclusive of RMB14.6 million attributable to the Remaining Group).

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 contributions. Proper training programmes were implemented in order to promote employees' career development and progression within the Group.

OTHER SIGNIFICANT EVENTS

The 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 (equivalent to approximately RMB7.3 million). Upon the completion of the Disposal on 31 July 2021, the Mancala Australia 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. 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 Arrangements in Aba Prefecture which continued until mid-August 2021 even though the Maoling Mine operation had resumed in early July 2021.

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

Facilities Management Agreements

On 21 March 2022, Sichuan Lingwei entered into (i) the facility management services framework agreement with Huili Caitong and Xiushuihe Mining (the "Huili FM Agreement") and (ii) the facility management services framework agreement with Yanyuan Xigang (the "Yanyuan FM Agreement", together with the Huili FM Agreement, the "Framework Agreements"). Pursuant to the Framework Agreements, Sichuan Lingwei will provide various facility management services, including operational site routine services and mining engineering support and consultancy services, to the mining camps of Huili Caitong, Xiushuihe Mining and Yanyuan Xigang from 1 April 2022 to 31 December 2022. The annual cap for the transactions contemplated under the Framework Agreements for the year ending 31 December 2022 is RMB12,900,000.

As facilities management continues to hold an increasingly important and integral role in other industries and sectors, the Group believes that the services to be provided and management resources to be allocated under the Framework Agreements serve as a base to allow progressive expansion of the level of such relevant expertise (including future investments in relevant skilled personnel and technological support) such that the Group could potentially market its facilities management capabilities, procure additional service contracts, forge partnership with strategic partners so that it could explore more innovative and technology-driven facilities management strategies in managing the entire value chain of the facilities management business for other third party clients as well.

The Relevant Substantial Shareholders collectively hold more than 30% equity interests in Chengyu Vanadium Titano, which in turn wholly owns Huili Caitong. Xiushuihe Mining is in turn a non-wholly owned subsidiary of Huili Caitong. Further, Yanyuan Xigang is ultimately held indirectly as to more than 30% by the Relevant Substantial Shareholders. Accordingly, each of Huili Caitong, Xiushuihe Mining and Yanyuan Xigang is an associate of the Relevant Substantial Shareholders and therefore is a connected person of the Company, and the transactions contemplated under the Framework Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Please refer to the Company's announcement dated 21 March 2022 for further details.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 23 June 2022 to Wednesday, 29 June 2022 (both days inclusive) during which no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the 2022 AGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 22 June 2022.

EXTRACT OF CHAIRMAN'S STATEMENT

The following "Outlook and Strategies" is extracted from the chairman's statement as written by the chairman of the Board:

"Outlook and Strategies

In regular times, businesses face situations in varying degrees of uncertainty and they could find ways to adapt from time to time. In trying times, uncertainty can be extreme and we must readjust, stay nimble and agile. Under the condition of this extreme uncertainty, the long-term fundamentals of China's economic growth remain the essence of our focused strategies, reflecting our confidence on the resilience of China's economy amidst challenges posed by the pandemic.

Under such circumstances, we had updated that the Group would:

- *expand its production capacity for the less-polluting and higher-margin iron concentrates (with at least 70% TFe) in view of China's sustainable mining practices. This growth initiative will involve some form of capital investments in licensing process, mines exploration, additional environmental compliance, modification and upgrading of existing production facilities and major mining engineering works; and*

- *segregate the mining facilities management activities from its upstream mining operations in order to sharpen its focus towards developing environmentally responsible practices which could also potentially allow the Group to diversify for additional revenue streams should opportunities arise.*

In executing the above strategies, we are mindful of uneven business recovery given the previous major supply chain disruption, but we think the business recovery in China will be meaningful upon re-opening of the local economy at a much larger scale in time to come. More recently, some signs suggest that the supply chain pressures have somewhat moderated, but the continuity of the trends remains to be seen. Meanwhile, risks and signs of resurgence of viral infections amidst China's zero-COVID stance are closely monitored and we will adjust our strategies if required."

CORPORATE GOVERNANCE

The Company has adopted the CG Code as its own code of corporate governance. The Directors consider that during the year ended 31 December 2021, the Company has complied with the code provisions under the CG Code, except for the then effective code provision A.4.1[(1)].

The then effective 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, being a 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, the Directors are of the opinion that this meets the objective of the CG Code. Mr. Teh Wing Kwan was re-elected as a non-executive Director at the 2021 AGM.

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 the CG Code by the Company anytime during the Reporting Period. The Company will continue to review and monitor its corporate governance practices in order to ensure compliance with the New CG Code which came into effect on 1 January 2022.

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

Throughout the year ended 31 December 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2021 will be dispatched to the Shareholders and available on the above websites in due course.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2021.

(1) The CG Code has been amended (the "New CG Code"), which will apply to corporate governance reports for financial year commencing on or after 1 January 2022. The then effective code provision A.4.1 has been deleted from the New CG Code.

GLOSSARY

"2019 Completion"	Completion of the 2019 Disposal on 30 July 2019
"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 AGM"	the Shareholders' annual general meeting held on 29 June 2021
"2022 AGM"	the Shareholders' annual general meeting to be held on 29 June 2022
"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
"Aba Prefecture"	Aba Tibetan and Qiang Autonomous Prefecture
"Articles"	the articles of association of the Company, adopted on 4 September 2009 and as amended from time to time
"AUD"	the lawful currency of the Commonwealth of Australia
"Board"	the board of Directors
"BVI"	The British Virgin Islands
"Caitong Group"	refers to Huili Caitong and its subsidiaries, which engage in sale of self-produced low-grade iron concentrates within the range of 53% TFe to 55% TFe and has been disposed on 30 July 2019
"CG Code"	in the context of this announcement, refers to the Corporate Governance Code set out in Appendix 14 to the Listing Rules that is applicable to the Corporate Governance Report for the Reporting Period, unless otherwise specified
"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", "Mainland China" or "PRC"	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
"Company", "our", "us" or "we"	China Vanadium Titano-Magnetite Mining Company Limited, a limited liability company incorporated in the Cayman Islands on 28 April 2008
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Continuing Operations"	operations of the Remaining Group
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules and in the context of this announcement, refers to Trisonic International, Kingston Grand, Messrs. Wang Jin, Shi Yinjun, Yang Xianlu, Wu Wendong, Zhang Yuangui and Li Hesheng
"CVT Guarantees"	guarantees given by the Company in favour of the Caitong Group guaranteeing, inter alia, the indebtedness owing by any company(ies) in the Caitong Group to certain banks and an asset management and financial services institution in the PRC with maximum guaranteed amount of RMB730.0 million
"Director(s)"	director(s) of the Company or any one of them
"Discontinued Operations"	operations of the Mancala Australia Group, which has been disposed on 31 July 2021
"Disposal"	the sale transaction of the Mancala Australia Group through the disposal of 81% equity interest in Mancala Holdings from the Company to PT. Hay Wei, which was entered into on 30 June 2021 and completed on 31 July 2021
"Disposal Group" or "Mancala Australia Group"	refers to the Mancala Holdings and its subsidiaries, which was disposed and deconsolidated as at 31 July 2021, upon completion of the Disposal
"Fe"	chemical symbol of iron element
"FY2020"	financial year ended and/or as at 31 December 2020, as applicable

"FY2021"	financial year ended and/or as at 31 December 2021, 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-Yanglongshan Mines and Maoling Processing Plant
"High-Fe Mining Operation"	refers to operation of 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
"HKD"	the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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
"iron"	a silvery-white, lustrous, malleable, ductile, magnetic or magnetisable, metallic element occurring abundantly in combined forms, notably in hematite, limonite, magnetite, and taconite, and used alloyed in a wide range of important structural materials
"iron concentrate(s)"	concentrate(s) whose main mineral content (by value) is iron
"iron ore(s)"	compounds of iron and oxygen (iron oxides) mixed with impurities (gangue); it is a mineral which when heated in the presence of a reductant will yield metallic iron

"Kingston Grand"	Kingston Grand Limited, a company incorporated in the British Virgin Islands on 20 February 2007, holder of 40% of the issued share capital of Trisonic International
"km."	kilometre(s), a metric unit measure of distance
"Kt"	thousand tonnes
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Mancala Holdings"	Mancala Holdings Limited, a company incorporated in the Cayman Islands which was directly owned as to 81% by the Company immediately before the Disposal
"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), and 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
"mining right(s)"	the right(s) to mine mineral resources and obtain mineral products in areas where mining activities are licensed
"Mt"	million tonnes
"NM"	not meaningful. For the purpose of this announcement, the Board has taken the view that percentage change of more than 1,000% is not meaningful
"N/A"	not applicable

"ore processing"	the process which in general refers to the extraction of usable portions of ores by using physical and chemical extraction methods
"PT. Hay Wei"	PT. Hay Wei Feng Yuan Mining, a company incorporated in Indonesia and the purchaser of the Mancala Australia Group under the Disposal
"Relevant Substantial Shareholders"	Mr. Wang Jin, Mr. Shi Yinjun, Mr. Zhang Yuangui, Mr. Li Hesheng and Mr. Wu Wendong, parties acting in concert and some of the substantial Shareholders
"Remaining Group"	the Company and its subsidiaries as at the date of this announcement
"RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended 31 December 2021
"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 Lingwei"	Sichuan Lingwei Property Service Co., Ltd.*, a limited liability company established in the PRC on 7 July 2021 and an indirect wholly-owned subsidiary of the Company
"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
"SGD"	the lawful currency of the Republic of Singapore
"sq.km."	square kilometres
"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
"USD"	the lawful currency of the United States of America

"Wenchuan County"	Wenchuan County, Aba Prefecture, Sichuan Province
"Xiushuihe Mining"	Huili County Xiushuihe Mining Co., Ltd.*, a limited liability company established in the PRC on 26 June 2007, an indirect subsidiary of the Company that owned 95.0% equity interest through Huili Caitong till 30 July 2019
"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
"Yanyuan Xigang"	Yanyuan Xigang Clean Coal Co., Ltd.*, a limited liability company established in the PRC

* *For identification purpose only*

Yours faithfully,
For and on behalf of the Board
China Vanadium Titano-Magnetite Mining Company Limited
Teh Wing Kwan
Chairman

Hong Kong, 29 March 2022

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