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China Vanadium Titano-Magnetite Mining Company Limited

中國鈮鈦磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00893)

CHANGE OF AUDITOR

This announcement is made by China Vanadium Titano-Magnetite Mining Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

RESIGNATION OF AUDITOR

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company hereby announces and updates that having considered the cost effectiveness and competitiveness of the Company’s annual audit, the audit committee of the Company (the “**Audit Committee**”) has obtained, reviewed and discussed the audit fee proposals provided by various professional accounting firms. In comparing different fee proposals, the Audit Committee is of the view that the proposed audit fees quote for the year ending 31 December 2023 (“**FY2023**”) provided by the Company’s auditor (the “**Auditor**”), Ernst & Young (“**EY**”), does not commensurate with the existing scale of operations of the Group.

Despite several rounds of discussions, the Company could not reach a consensus with EY in respect of the proposed audit fees for FY2023. Accordingly, the Company has respectfully requested EY to consider stepping down as the Auditor such that the Company could proceed to appoint another professional audit firm for the audit of FY2023. As a result, EY has tendered its resignation as the Auditor with effect from 7 November 2023 and the Board has accepted its resignation.

EY has confirmed in its letter of resignation that, up to the date of its resignation, it has not commenced any related work on the consolidated financial statements of the Group for FY2023 as it could not reach a consensus with the Company in respect of the proposed audit fees for FY2023, and that save for the above, there are no circumstances connected with its resignation which it considers should be brought to the attention of the Shareholders or creditors of the Company in relation to the change of auditors.

Save for the above, the Board and the Audit Committee confirm that, there are no disagreement or unresolved matters between EY and the Company, and there are no other matters or circumstances in respect of the change of Auditor which should be brought to the attention of the Shareholders, the creditors of the Company or the Hong Kong Stock Exchange.

As at the date of this announcement, as disclosed above, EY has not commenced any related work on the consolidated financial statements of the Group for FY2023. The Board therefore believes that the change of Auditor will not have any significant impact on the annual audit of the Group for FY2023.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the Audit Committee, it has resolved to appoint Mazars CPA Limited (“**Mazars HK**”) as the Auditor to fill the casual vacancy created by the resignation of EY with effect from 7 November 2023 until the conclusion of the next annual general meeting of the Company, subject to appointment by the Shareholders in accordance with the articles of association of the Company by way of ordinary resolution.

The Audit Committee has considered several factors in respect of Mazars HK, including but not limited to, (i) the audit proposal, (ii) the experience, capabilities and competence (including technical know-how, industry knowledge, familiarity with the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards, track records, manpower and other related resources) and (iii) independence from the Group. Based on the assessment, the Audit Committee has considered Mazars HK to be suitable to act as the Auditor of the Company. The Board and the Audit Committee are of the view that the change of Auditor would also enhance the cost-effectiveness and competitiveness of the Company’s annual audit and thus serves the best interests of the Company and the Shareholders as a whole.

The Board would like to take this opportunity to express their appreciation to EY for its professional and quality services to the Group for the past 15 years and welcome the appointment of Mazars HK as the Auditor.

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

Hong Kong, 7 November 2023

As at the date of this announcement, the Board comprises Mr. Teh Wing Kwan (Chairman) as non-executive Director, Mr. Hao Xiemin (Chief Executive Officer) and Mr. Wang Hu as executive Directors, and Mr. Yu Haizong, Mr. Liu Yi and Mr. Wu Wen as independent non-executive Directors.

Website: www.chinavtmmining.com