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 2024

FINANCIAL HIGHLIGHTS

For the Reporting Period:

- the Group's revenue was approximately RMB542.5 million for FY2024 (FY2023: RMB785.0 million);
- the Group recorded a Net Loss of approximately RMB20.7 million for FY2024 (FY2023: Net Profit of approximately RMB9.7 million);
- the basic and diluted loss per Share attributable to owners of the Company was approximately RMB0.92 cents for FY2024 (FY2023: basic and diluted earnings per Share attributable to owners of the Company of RMB0.43 cents); and
- the Board does not recommend the payment of final dividend for FY2024 (FY2023: Nil).

The Board hereby announces the audited consolidated results of the Group for FY2024 together with the comparative figures for FY2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Revenue	*3, 4*	**542,490**	784,951
Cost of sales		**(528,287)**	(748,417)
Gross profit		**14,203**	36,534
Other income and gain	*4*	**12,402**	17,244
Selling and distribution expenses		**(2,667)**	(2,254)
Administrative expenses		**(19,064)**	(21,783)
Other expenses		**(9,976)**	(9,980)
Reversal of impairment losses on trade receivables	*15*	**–**	2,674
Reversal of impairment losses on other receivables	*12(b)*	**371**	–
Write-down of inventories	*14*	**(4,691)**	–
Impairment losses on property, plant and equipment	*8*	**(4,947)**	–
Impairment losses on intangible assets	*9*	**(4,152)**	–
Finance costs	*5*	**(7,750)**	(8,323)
Share of results of joint ventures	*11*	**1,680**	–
(Loss)/Profit before tax	*6*	**(24,591)**	14,112
Income tax credit/(expenses)	*7*	**4,502**	(5,032)
(Loss)/Profit for the year		**(20,089)**	9,080
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(5)**	16
Total comprehensive (loss)/income for the year		**(20,094)**	9,096

	Note	**2024**	2023
		RMB'000	*RMB'000*
(Loss)/Profit attributable to:			
Owners of the Company		**(20,662)**	9,697
Non-controlling interests		**573**	(617)
		(20,089)	9,080
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(20,667)**	9,713
Non-controlling interests		**573**	(617)
		(20,094)	9,096
(Loss)/Earnings per share attributable to owners of the Company:			
Basic and diluted *(RMB cents)*	*23*	**RMB(0.92)**	RMB0.43

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*8*	**209,756**	209,696
Right-of-use assets	*10*	**20,760**	23,008
Intangible assets	*9*	**815,567**	822,135
Interests in joint ventures	*11*	**4,180**	–
Prepayments, other receivables and other assets	*12*	**373**	423
Deferred tax assets	*13*	**12,631**	7,219
Total non-current assets		**1,063,267**	1,062,481
CURRENT ASSETS			
Inventories	*14*	**20,326**	18,695
Trade and bills receivables	*15*	**75,494**	119,856
Prepayments, other receivables and other assets	*12*	**108,179**	95,893
Due from related parties		**3,137**	2,346
Pledged deposits	*16*	**25**	25
Cash and cash equivalents	*16*	**11,881**	8,038
Total current assets		**219,042**	244,853
CURRENT LIABILITIES			
Trade payables	*17*	**63,585**	71,029
Contract liabilities	*18*	**2,097**	8,883
Other payables and accruals	*19*	**63,581**	76,706
Interest-bearing bank and other borrowings	*20*	**72,400**	69,600
Due to related parties		**3,958**	2,603
Lease liabilities	*10*	**2,226**	2,124
Tax payable		**8,932**	10,687
Total current liabilities		**216,779**	241,632
NET CURRENT ASSETS		**2,263**	3,221
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,065,530**	1,065,702

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT LIABILITIES			
Due to related parties		**8,472**	2,286
Contract liabilities	*18*	**20,000**	20,000
Lease liabilities	*10*	**18,857**	21,089
Interest-bearing bank and other borrowings	*20*	**19,044**	12,994
Provision for rehabilitation	*21*	**15,843**	15,303
Other payables	*19*	**63,106**	53,728
Total non-current liabilities		**145,322**	125,400
Net assets		**920,208**	940,302
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*22*	**197,889**	197,889
Reserves		**427,732**	448,399
		625,621	646,288
Non-controlling interests		**294,587**	294,014
Total equity		**920,208**	940,302

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

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 Act. 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 Suite 3201, 32/F, Alexandra House, 18 Chater Road, Central, Hong Kong.

During the year ended 31 December 2024, the Company and its subsidiaries (together, the "Group") were principally engaged in the following principal activities:

- sale of self-produced products
- trading of steels
- facility management

In the opinion of the board (the "Board") of directors of the Company (the "Director(s)"), 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (which include all IFRS Accounting Standards, IAS Standards and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention.

Going concern

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that whilst the Group had recorded a consolidated loss before income tax of approximately RMB24,591,000 for the year ended 31 December 2024 ("FY2024"), the Group had a surplus of approximately RMB8,498,000, excluding non-cash adjustments as reported in the consolidated cash flows statement for FY2024. As at 31 December 2024, the Group's current liabilities of approximately RMB216,779,000 include trade payables of approximately RMB63,585,000, contract liabilities of approximately RMB2,097,000, other payables of approximately RMB44,395,000, interest-bearing bank and other borrowings of approximately RMB73,625,000 and due to related parties of approximately RMB3,958,000, lease liabilities of approximately RMB3,190,000 and tax payable of approximately RMB8,932,000 which are due for repayment within the next twelve months after 31 December 2024. The Group's current assets, including cash and bank balances of approximately RMB11,881,000, was approximately RMB219,042,000 as at 31 December 2024. The net current assets of a mere approximately RMB2,263,000 requires the Group to adopt a prudent working capital management ahead.

Having considered the above, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings.

(i) the Group will continue to monitor and improve the collection cycle of its outstanding trade receivables;

(ii) the Group remains proactive in engaging discussions and negotiations with the banks for renewal of its facilities as and when they fall due such that to meet the Group can continue to meet its working capital requirements for the year ending 31 December 2025;

(iii) the Group will continue to explore and discuss with various financial institutions and potential lenders to secure new financing arrangement to meet the Group's working capital and financial requirements, as and when required; and

(iv) the Group, with focusing on productivity improvement for its existing mining and facilities management operations, will continue to evaluate other potential strategic plans and options to divest certain non-core assets, explore other asset-light growth initiatives and extend its business segments.

Having considered the cash flow projection of the Group, which takes into account of the above measures, the Directors are of the opinion that, the Group will have sufficient funding resources to meet its working capital at least the next twelve months from the date of approval of the consolidated financial statements, barring unforeseen circumstances.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. 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).

Generally, there is a presumption that a majority of voting rights results in control. 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 IFRS Accounting Standards for the first time for the current year's consolidated financial statements.

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*
Amendments to IAS 16	*Lease Liability in a Sale and Leaseback*

The nature and the impact of the revised IFRS Accounting Standards that are applicable to the Group are described below:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

Amendments to IAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

Amendments to IAS 21	*Lack of Exchangeability*(1)
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*(2)
Annual Improvements to IFRS Accounting Standards	*Volume 11*(2)
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*(2)
IFRS 18	*Presentation and Disclosure in Financial Statements*(3)
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*(3)
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*(4)

(1) Effective for annual periods beginning on or after 1 January 2025
(2) Effective for annual periods beginning on or after 1 January 2026
(3) Effective for annual periods beginning on or after 1 January 2027
(4) The effective date to be determined

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

Amendments to IAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments

The amendments:

- clarify the classification of financial assets with environmental, social and corporate governance (ESG) and other similar features;
- clarify the date on which a financial asset or financial liability is derecognised;
- introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if specified criteria are met;
- clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments; and
- introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example, features tied to ESG-linked targets.

Annual Improvements to IFRS Accounting Standards – Volume 11

The amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards:

- IFRS 1 First-time Adoption of IFRS Accounting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on Implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity

The amendments include:

- clarifying the application of the "own-use" requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 retains numbers of requirements of IAS 1 and introduces the following new key requirements:

- presentation of new defined subtotals in the statement of profit or loss, i.e. operating profit and profit before financing and income taxes, and classifications of income and expenses into operating, investing, financing, income taxes and discontinued operations in the statement of profit or loss, with some modifications for companies with specific business activities, e.g. banks, insurers and investment property companies;

- identification of management-defined performance measures (MPMs) which are defined as subtotals of income and expenses used in public communications outside financial statements to communicate management's view of an aspect of the financial performance for the company as a whole and are not listed or required by IFRS Accounting Standards and disclosures about MPMs in a single note to the financial statements; and

- enhanced requirements for grouping (aggregation and disaggregation) of information in the primary financial statements and information disclosed in the notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures in their financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Standards are amended such that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and a partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The management of the Group does not anticipate that the adoption of the above new/revised IFRS Accounting Standards in future periods will have any material impact on the consolidated financial position and performance.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has four (2023: four) reportable segments as follows:

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

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

(c) the facility management segment comprises the provision of facilities management services for mining related industry; and

(d) the corporate and others segment comprises the non-operating activities that support the Group, including central functions such as the functional costs that have not been allocated to the other segments.

The executive directors of the Company monitor the results of the Group's reporting 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. 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 and non-lease-related finance costs are excluded from such measurement.

Segment assets exclude interest in joint ventures, 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 2024

	High-Fe mining operation *RMB'000*	**Trading** *RMB'000*	**Facility management** *RMB'000*	**Corporate and others** *RMB'000*	**Total** *RMB'000*
Segment revenue					
Sales to external customers	**67,121**	**454,879**	**20,490**	**–**	**542,490**
Intersegment sales	**–**	**–**	**1,247**	**–**	**1,247**
Revenue	**67,121**	**454,879**	**21,737**	**–**	**543,737**
Segment results	**(17,716)**	**3,129**	**717**	**(8,946)**	**(22,816)**
Reconciliation:					
Other income and gain					**12,402**
Other expenses					**(9,976)**
Finance costs (other than interest on lease liabilities and provision for rehabilitation)					**(5,881)**
Share of results of joint ventures					**1,680**
Profit before tax					**(24,591)**
Segment assets	**486,297**	**184,436**	**11,406**	**751,093**	**1,433,232**
Reconciliation:					
Elimination of intersegment receivables					**(179,640)**
Interest in joint ventures					**4,180**
Deferred tax assets					**12,631**
Cash and cash equivalents					**11,881**
Pledged deposits					**25**
Total assets					**1,282,309**

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment liabilities	**218,998**	**140,104**	**5,220**	**77,043**	**441,365**
Reconciliation:					
Elimination of intersegment payables					**(179,640)**
Interest-bearing bank and other borrowings					**91,444**
Tax payable					**8,932**
Total liabilities					**362,101**
Other segment information					
Reversal of impairment losses on other receivables	**–**	**–**	**–**	**(371)**	**(371)**
Impairment losses on property, plant and equipment	**4,947**	**–**	**–**	**–**	**4,947**
Impairment losses on intangible assets	**4,152**	**–**	**–**	**–**	**4,152**
Loss on disposal of property, plant and equipment	**197**	**–**	**–**	**–**	**197**
Depreciation and amortisation	**13,090**	**1**	**–**	**704**	**13,795**
Capital expenditure*	**16,170**	**–**	**–**	**–**	**16,170**
Write-down of inventories	**4,691**	**–**	**–**	**–**	**4,691**
Write-off of trade and other payables	**–**	**–**	**–**	**(1,882)**	**(1,882)**
Write-off of property, plant and equipment	**1,494**	**–**	**–**	**–**	**1,494**

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

Year ended 31 December 2023

	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *RMB'000*	Corporate and others *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to external customers	115,280	650,175	19,496	–	784,951
Intersegment sales	–	–	930	–	930
	115,280	650,175	20,426	–	785,881
Segment results	13,677	7,060	1,723	(9,113)	13,347
Reconciliation:					
Other income and gain					17,244
Other expenses					(9,980)
Finance costs (other than interest on lease liabilities and provision for rehabilitation)					(6,499)
Profit before tax					14,112
Segment assets	510,643	198,148	8,200	753,290	1,470,281
Reconciliation:					
Elimination of intersegment receivables					(178,229)
Deferred tax assets					7,219
Cash and cash equivalents					8,038
Pledged deposits					25
Total assets					1,307,334
Segment liabilities	222,818	154,226	2,061	72,875	451,980
Reconciliation:					
Elimination of intersegment payables					(178,229)
Interest-bearing bank and other borrowings					82,594
Tax payable					10,687
Total liabilities					367,032
Other segment information					
Reversal of impairment losses on trade receivables	–	(2,674)	–	–	(2,674)
Depreciation and amortisation	16,162	1	–	68	16,231
Capital expenditure*	112,790	4	3	2,769	115,566
Write-off of property, plant and equipment	283	–	20	11	314
Write-off of other receivables	–	–	–	1,150	1,150

* Capital expenditure consists of additions to property, plant and equipment (excluding the additions to mining infrastructure which was the addition of rehabilitation assets) and intangible assets.

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 reporting period. 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.

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**542,490**	784,951

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**1,045,530**	1,053,975
Singapore	**553**	864
	1,046,083	1,054,839

The non-current asset information above is based on the locations of the assets and excludes interests in joint ventures, prepayments, other receivables and other assets and deferred tax assets.

Information about major customers

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

	2024	2023
	RMB'000	*RMB'000*
Trading		
Customer A	**80,989**	–
Customer B	**151,396**	404,215
Customer C	**222,494**	245,960
High-Fe mining operation		
Customer D	**–**	81,133

4. REVENUE, OTHER INCOME AND GAIN

An analysis of revenue is as follows:

	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Revenue from contracts with customers				
Sale of industrial products:				
High-grade iron concentrates	**67,121**	**12.4**	115,280	14.7
Steels	**454,879**	**83.9**	650,175	82.8
Rendering of facility management services	**20,490**	**3.7**	19,496	2.5
	542,490	**100.0**	784,951	100.0

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

Segments	**High-Fe mining operation** *RMB'000*	**Trading** *RMB'000*	**Facility management** *RMB'000*	**Total** *RMB'000*
Types of goods or services				
High-grade iron concentrates	**67,121**	**–**	**–**	**67,121**
Trading of steels	**–**	**454,879**	**–**	**454,879**
Facility management services	**–**	**–**	**20,490**	**20,490**
	67,121	**454,879**	**20,490**	**542,490**
Geographical market				
Mainland China	**67,121**	**454,879**	**20,490**	**542,490**
Timing of revenue recognition				
Goods transferred at a point in time	**67,121**	**454,879**	**–**	**522,000**
Services transferred over time	**–**	**–**	**20,490**	**20,490**
	67,121	**454,879**	**20,490**	**542,490**

For the year ended 31 December 2023

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *RMB'000*	Total *RMB'000*
Types of goods or services				
High-grade iron concentrates	115,280	–	–	115,280
Trading of steels	–	650,175	–	650,175
Facility management services	–	–	19,496	19,496
	115,280	650,175	19,496	784,951
Geographical market				
Mainland China	115,280	650,175	19,496	784,951
Timing of revenue recognition				
Goods transferred at a point in time	115,280	650,175	–	765,455
Services transferred over time	–	–	19,496	19,496
	115,280	650,175	19,496	784,951

For the year ended 31 December 2024

Segments	**High-Fe mining operation** ***RMB'000***	**Trading** ***RMB'000***	**Facility management** ***RMB'000***	**Total** ***RMB'000***
Revenue from contracts with customers				
External customers	**67,121**	**454,879**	**20,490**	**542,490**
Intersegment sales	**–**	**–**	**1,247**	**1,247**
Total revenue	**67,121**	**454,879**	**21,737**	**543,737**

For the year ended 31 December 2023

Segments	High-Fe mining operation *RMB'000*	Trading *RMB'000*	Facility management *RMB'000*	Total *RMB'000*
Revenue from contracts with customers				
External customers	115,280	650,175	19,496	784,951
Intersegment sales	–	–	930	930
Total revenue	115,280	650,175	20,426	785,881

(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.

Facility management services

The performance obligation is satisfied over time as services are rendered. Consultancy and management service contracts are for periods of one year and subject to renewable on annual basis, and are billed based on the time incurred.

An analysis of other income and gain is as follows:

	Note	**2024** **RMB'000**	2023 *RMB'000*
Other income			
Bank interest income		**4**	10
Government grants	*(a)*	**753**	264
Sale of raw materials		**650**	7,173
Guarantee fee		**8,649**	8,625
Miscellaneous		**464**	1,172
		10,520	17,244
Gain			
Write-off of trade and other payables		**1,882**	–
Total other income and gain		**12,402**	17,244

Note:

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

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Interest on bank and other borrowings	**3,895**	4,314
Interest on mining right payable *(note 19)*	**1,986**	2,185
Interest on lease liabilities *(note 10(c))*	**1,091**	1,071
Unwinding of discount on provision *(note 21)*	**778**	753
	7,750	8,323

6. (LOSS)/PROFIT BEFORE TAX

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

	Notes	2024 *RMB'000*	2023 *RMB'000*
Cost of inventories sold		**512,031**	732,694
Cost of services provided		**16,256**	15,723
Cost of sales		**528,287**	748,417
Employee benefit expenses (including Directors' and chief executive's remunerations):			
Wages and salaries		**23,164**	25,928
Welfare and other benefits		**2,232**	1,929
Defined contribution fund			
– Pension scheme contributions		**6,244**	5,951
– Housing fund		**635**	648
Total employee benefit expenses		**32,275**	34,456
Depreciation of property, plant and equipment	*8*	**9,063**	9,948
Depreciation of right-of-use assets	*10(a)*	**2,240**	3,527
Amortisation of intangible assets (included in cost of sales)	*9*	**2,492**	2,756
Depreciation and amortisation expenses		**13,795**	16,231
Auditor's remuneration			
– Audit services		**1,400**	1,400
– Non-audit services		**400**	690
Expenses relating to short-term leases (included in administrative expenses)	*10(c)*	**144**	140
Loss on disposal of property, plant and equipment		**197**	–
Write-off of other receivables		**–**	1,150
Write-off of property, plant and equipment		**1,494**	314
Write-off of trade and other payables		**(1,882)**	–

7. INCOME TAX CREDIT/(EXPENSES)

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 years ended 31 December 2024 and 2023.

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 years ended 31 December 2024 and 2023.

Pursuant to the PRC Corporate Income Tax Law, the payers shall pay a 10% withholding tax levied on the income derived from Mainland China on behalf of non-resident enterprises. Therefore, the Company is subject to withholding tax rate of 10% over the guarantee fee of RMB8,649,000 (2023: RMB8,625,000) during the year ended 31 December 2024 *(note 4)*.

The provision for the 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. In general, all these subsidiaries are subject to the PRC CIT rate of 25% during the year ended 31 December 2024, except for subsidiaries in the PRC which are qualified as Small Low-profit Enterprise and thus entitled to a preferential income tax rate of 20%.

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 (credit)/charge are as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Current tax charge for the year		
– Mainland China	**1,582**	2,834
– Singapore	**(6)**	5
– (Over) under provision in prior year	**(666)**	62
Deferred tax *(note 13)*	**(5,412)**	2,131
Total tax (credit)/charge for the year	**(4,502)**	5,032

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

	Note	**2024**	2023
		RMB'000	*RMB'000*
(Loss)/Profit before tax		**(24,591)**	14,112
Tax at the respective statutory tax rates:			
– Mainland China subsidiaries, at 25%		**(6,368)**	3,091
– the Company and its Hong Kong subsidiaries, at 16.5%		**562**	275
– Singapore subsidiary, at 17%		**15**	16
Lower tax rates enacted by local authorities		**(1,101)**	(589)
Expenses not deductible for tax	*(a)*	**493**	704
Income not subject to tax		**(98)**	–
Tax effect of tax losses not recognised		**552**	1,473
Adjustments of previous periods reflected in current tax		**(666)**	62
Write-down of deferred tax assets		**2,109**	–
Tax (credit)/charge at the Group's effective tax rate		**(4,502)**	5,032

Note:

(a) Expenses not deductible for tax for the years ended 31 December 2024 and 2023 mainly consist of administrative expenses incurred by offshore companies. These expenses are not expected to be deductible for tax.

8. 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 2024							
Cost:							
At 1 January 2024	43,441	35,080	575	2,660	205,425	43,258	330,439
Additions	–	1,771	–	–	1,755	12,568	16,094
Transferred from CIP	4,378	1,521	–	–	–	(5,899)	–
Disposal	–	(2,457)	–	–	(4,709)	–	(7,166)
Write-off	(3,601)	–	–	–	–	–	(3,601)
At 31 December 2024	44,218	35,915	575	2,660	202,471	49,927	335,766
Accumulated depreciation and impairment:							
At 1 January 2024	25,784	21,130	381	1,134	70,826	1,488	120,743
Provided for the year *(note 6)*	1,983	1,386	31	415	5,248	–	9,063
Impairment loss	436	297	1	74	3,181	958	4,947
Disposal	–	(2,166)	–	–	(4,470)	–	(6,636)
Write-off	(2,107)	–	–	–	–	–	(2,107)
At 31 December 2024	26,096	20,647	413	1,623	74,785	2,446	126,010
Net carrying amount:							
At 1 January 2024	17,657	13,950	194	1,526	134,599	41,770	209,696
At 31 December 2024	18,122	15,268	162	1,037	127,686	47,481	209,756

	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 2023							
Cost:							
At 1 January 2023	44,234	35,451	676	1,546	142,332	84,076	308,315
Additions	1	302	49	1,319	714	23,405	25,790
Transferred from CIP	1,072	–	–	–	63,151	(64,223)	–
Write-off	(1,866)	(673)	(150)	(205)	(772)	–	(3,666)
At 31 December 2023	43,441	35,080	575	2,660	205,425	43,258	330,439
Accumulated depreciation and impairment:							
At 1 January 2023	25,458	20,207	495	1,168	65,331	1,488	114,147
Provided for the year *(note 6)*	2,099	1,442	28	151	6,228	–	9,948
Write-off	(1,773)	(519)	(142)	(185)	(733)	–	(3,352)
At 31 December 2023	25,784	21,130	381	1,134	70,826	1,488	120,743
Net carrying amount:							
At 1 January 2023	18,776	15,244	181	378	77,001	82,588	194,168
At 31 December 2023	17,657	13,950	194	1,526	134,599	41,770	209,696

In accordance with the Group's accounting policies, each asset or CGU is evaluated annually at 31 December or biannually 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.

In assessing whether an impairment is required, the carrying value of each asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and VIU. Management has performed impairment assessment on all of the carrying amounts of the Group's property, plant and equipment, intangible assets and right-of-use assets. For the purpose of impairment assessment, the High-Fe Mining CGU (comprising the property, plant and equipment, the intangible assets and the right-of-use assets of Aba Mining) and the Shigou Gypsum Mine CGU (comprising the property, plant and equipment, and the intangible assets) are treated as separate CGU. The recoverable amounts of High-Fe Mining CGU and Shigou Gypsum Mine CGU were estimated based on its VIU determined by discounting the future cash flows to be generated from the continuing use of these assets. The VIUs calculation use cash flow projections based on a 5-year financial budget approved by the management of the Group as well as factors such as the remaining life of the mines, production plan of the mines, long term growth rate ranging from 2% to 2.5%, and pre-tax discount rates ranging between 11.92% and 16.12% (2023: between 13.75% and 16.67%) depending on the nature of each CGU.

In determining some of the key assumptions, Management considered external sources of information where appropriate. Management considers the estimates applied in this impairment assessment are reasonable. However, such estimates are subject to significant uncertainties and judgements.

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

Resources – These represent one of the key factors the management has considered during the impairment testing, which comprise resources (measured, indicated and inferred) estimated, on the basis of appropriate geological evidence and sampling, with reference to the resources statements prepared by appropriate competent persons.

Commodity prices – Forecast commodity prices are based on management's estimates and are derived from forward price curves and long-term views of domestic supply and demand, building on past experience of the industry and consistent with external sources. These prices were adjusted to arrive at appropriate consistent price assumptions for the different qualities and type of commodities, or, where appropriate, contracted prices were applied. These prices are reviewed at least annually.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the recent years for High-Fe Mining CGUs and Shigou Gypsum Mine CGUs, adjusted for management's expectations for possible changes in the production costs and estimated market prices.

Production volumes – Estimated production volumes are based on the detailed life of mine plans and take into account development plans of the mine agreed by management as part of the long-term planning process.

Discount rate – The discount rates used are pre-tax and reflect specific risks relating to the relevant units.

Capital requirements – The determination of estimated capital requirements is based on the expertise of both internal and external technical specialists, after considering, among others, the overall mine design and planning, mining and processing technologies, operational efficiency etc, as applicable.

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

Based on the above-mentioned impairment assessment, the property, plant and equipment allocated to High-Fe Mining CGU was determined to be impaired. An impairment loss of approximately RMB 4,947,000 (2023: Nil) against property, plant and equipment was recognised in profit or loss during the year ended 31 December 2024. The Group's management consider the major factors contributing to the impairment were that the financial performance of High-Fe mining business was adversely affected by the continuous unfavourable industry environment in the PRC. For Shigou Gypsum Mine CGU, the recoverable amounts are higher than the carrying amounts of the non-financial assets as at 31 December 2024, and no provision for impairment was provided during the year ended 31 December 2024 (2023: Nil).

9. INTANGIBLE ASSETS

	Mining rights RMB'000	Exploration rights and assets RMB'000	Software RMB'000	Total RMB'000
31 December 2024				
Cost:				
At 1 January 2024	**956,776**	**–**	**237**	**957,013**
Additions	**–**	**76**	**–**	**76**
At 31 December 2024	**956,776**	**76**	**237**	**957,089**
Accumulated amortisation and impairment:				
At 1 January 2024	**134,842**	**–**	**36**	**134,878**
Amortisation provided during the year *(note 6)*	**2,468**	**–**	**24**	**2,492**
Impairment loss	**4,152**	**–**	**–**	**4,152**
At 31 December 2024	**141,462**	**–**	**60**	**141,522**
Net carrying amount:				
At 1 January 2024	**821,934**	**–**	**201**	**822,135**
At 31 December 2024	**815,314**	**76**	**177**	**815,567**

	Mining rights RMB'000	Exploration rights and assets RMB'000	Software RMB'000	Total RMB'000
31 December 2023				
Cost:				
At 1 January 2023	800,295	65,991	237	866,523
Additions	90,490	–	–	90,490
Transfer	65,991	(65,991)	–	–
At 31 December 2023	956,776	–	237	957,013
Accumulated amortisation and impairment:				
At 1 January 2023	132,110	–	12	132,122
Amortisation provided during the year *(note 6)*	2,732	–	24	2,756
At 31 December 2023	134,842	–	36	134,878
Net carrying amount:				
At 1 January 2023	668,185	65,991	225	734,401
At 31 December 2023	821,934	–	201	822,135

As at 31 December 2024, the mining rights of Maoling-Yanglongshan Mine with a net carrying amount of RMB165,606,000 (2023: RMB172,226,000) were pledged to secure the Group's bank loans *(note 20(a))*.

The management of the Group considered that there is indication of impairment on the mining rights allocated to High-Fe Mining CGU and the impairment assessment of the mining rights has been performed together with the property, plant and equipment (as detailed in note 8). Based on the above-mentioned impairment assessment, an impairment loss of approximately RMB4,152,000 was recognised into profit or loss during the year ended 31 December 2024.

10. 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. Leases of office premises have lease term within 3 years. Leases of plant and machinery generally have lease term between 1 and 20 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 2024	**864**	**22,144**	**23,008**
Exchange realignment	**(8)**	**–**	**(8)**
Depreciation charge *(note 6)*	**(302)**	**(1,938)**	**(2,240)**
As at 31 December 2024	**554**	**20,206**	**20,760**

	Office premises *RMB'000*	Plant and machinery *RMB'000*	Total *RMB'000*
As at 1 January 2023	8	23,087	23,095
Additions	915	2,518	3,433
Exchange realignment	7	–	7
Depreciation charge *(note 6)*	(66)	(3,461)	(3,527)
As at 31 December 2023	864	22,144	23,008

(b) ***Lease liabilities***

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

	2024	2023
	RMB'000	*RMB'000*
Carrying amount at 1 January	**23,213**	24,738
New lease	**–**	3,433
Accretion of interest recognised during the year *(note 5)*	**1,091**	1,071
Payments	**(3,213)**	(6,036)
Exchange realignment	**(8)**	7
Carrying amount at 31 December	**21,083**	23,213
Analysed into:		
Current portion	**2,226**	2,124
Non-current portion	**18,857**	21,089

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

	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities *(note 5)*	**1,091**	1,071
Depreciation charge of right-of-use assets *(note 10(a))*	**2,240**	3,527
Expense relating to short-term leases (included in administrative expenses) *(note 6)*	**144**	140
Total amount recognised in profit or loss	**3,475**	4,738

11. INTERESTS IN JOINT VENTURES

	2024 *RMB'000*	2023 *RMB'000*
Carrying amount at 1 January	**–**	–
Investments, at cost	**2,500**	–
Share of net assets	**1,680**	–
Carrying amount at 31 December	**4,180**	–

As at 31 December 2024, the Group had interests in the following joint ventures:

Name of joint ventures	**Place of incorporation/ registration and business**	**Registered share capital**	**Percentage of equity interests attributable to the Company**	**Principal activities**
Sichuan Shengjiawei Property Service Co., Ltd.* ("Sichuan Shengjiawei")	PRC	RMB5,000,000	50% *(Note (a))*	Facility management services
Sichuan Yufengwei Property Service Co., Ltd.* ("Sichuan Yufengwei")	PRC	RMB5,000,000	50% *(Note (b))*	Facility management services

* *English name is for identification purpose only.*

Notes:

(a) On 7 December 2023, an indirectly wholly-owned subsidiary of the Company, Sichuan Lingwei, has entered into a capital contribution agreement with an independent third party (the "JV partner 1") to incorporate a joint venture company, namely Sichuan Shengjiawei, with nil identifiable assets, pursuant to which the Group and the JV partner 1, an independent third party, held as to 50% and 50%, respectively. Pursuant to the capital contribution agreement, each of Sichuan Lingwei and the JV partner 1 is entitled to appoint 2 out of 4 board members of Sichuan Shengjiawei and the key strategic financial and operating decisions in relation to Sichuan Shengjiawei's operation require the unanimous consent of all board members. In the opinion of the Directors, these key decisions are related to the activities that significantly affect the returns of Sichuan Shengjiawei. Accordingly, neither Sichuan Lingwei nor the JV partner 1 has the ability to control Sichuan Shengjiawei unilaterally and Sichuan Shengjiawei is therefore considered as jointly controlled by Sichuan Lingwei and the JV partner 1. As the Group has rights to the net assets of the joint arrangement, Sichuan Shengjiawei is accounted for as a joint venture of the Group.

(b) On 7 December 2023, an indirectly wholly-owned subsidiary of the Company, Sichuan Lingwei, has entered into a capital contribution agreement with an independent third party (the "JV partner 2") to incorporate a joint venture company, namely Sichuan Yufengwei, with nil identifiable assets, pursuant to which the Group and the JV partner 2, an independent third party, held as to 50% and 50%, respectively. Pursuant to the capital contribution agreement, each of Sichuan Lingwei and the JV partner 2 is entitled to appoint 2 out of 4 board members of Sichuan Yufengwei and the key strategic financial and operating decisions in relation to Sichuan Yufengwei's operation require the unanimous consent of all board members. In the opinion of the Directors, these key decisions are related to the activities that significantly affect the returns of Sichuan Yufengwei. Accordingly, neither the Sichuan Lingwei nor the JV partner 2 has the ability to control Sichuan Yufengwei unilaterally and Sichuan Yufengwei is therefore considered as jointly controlled by Sichuan Lingwei and the JV partner 2. As the Group has rights to the net assets of the joint arrangement, Sichuan Yufengwei is accounted for as a joint venture of the Group.

Relationship with joint ventures

Sichuan Shengjiawei and Sichuan Yufengwei are engaged in the provision of facility management services in PRC, which could allow the Group to leverage the facilities management expertise of other joint venturers to expand the Group's facility management business.

Fair value of investments

Sichuan Shengjiawei and Sichuan Yufengwei are not listed and there is no quoted market price available for the investments.

Financial information of joint ventures

The table below shows, in aggregate, the carrying amount and the Group's share of results of joint ventures that are not individually material and accounted for using the equity method.

	2024	2023
	RMB'000	*RMB'000*
Carrying amount of interests	**4,180**	–

	Year ended 31 December 2024	Year ended 31 December 2023
	RMB'000	*RMB'000*
Group's share of profit and total comprehensive income for the year	**1,680**	–

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2024 RMB'000	2023 RMB'000
Current portion:			
Prepayments consisting of:			
Purchase of raw materials	*(a)*	**103,187**	91,650
Utilities		**167**	251
Other prepayments		**863**	296
Other receivables consisting of:			
Deductible value-added tax input		**887**	560
Other receivables		**3,310**	3,742
		108,414	96,499
Impairment allowance	*(b)*	**(235)**	(606)
		108,179	95,893
Non-current portion:			
Prepayment for the maintenance of a road		**373**	423
		108,552	96,316

Notes:

(a) The balance represents prepayment for purchase of steels for trading business to suppliers, independent third parties in accordance with the terms of contract.

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

	2024 RMB'000	2023 RMB'000
At beginning of year	**606**	606
Reversal of impairment loss	**(371)**	–
At end of year	**235**	606

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.

13. 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 2023	2,109	4,415	885	1,039	902	9,350
Deferred tax (charged) to profit or loss during the year *(note 7)*	–	(1,643)	(102)	(274)	(112)	(2,131)
Deferred tax assets at 31 December 2023	2,109	2,772	783	765	790	7,219
At 1 January 2024	**2,109**	**2,772**	**783**	**765**	**790**	**7,219**
Deferred tax credited/(charged) to profit or loss during the year *(note 7)*	**(398)**	**2,084**	**252**	**3,449**	**25**	**5,412**
Deferred tax assets at 31 December 2024	**1,711**	**4,856**	**1,035**	**4,214**	**815**	**12,631**

For the purpose of presentation in the consolidated financial statements, the following is the analysis of the deferred taxation:

	2024 ***RMB'000***	2023 *RMB'000*
Deferred tax assets	**13,111**	8,705
Deferred tax liabilities	**(480)**	(1,486)
	12,631	7,219

As at 31 December 2024, the Group has tax losses arising from Mainland China of RMB409,915,000 (2023: RMB408,220,000) that would expire in one to five years and other deductible temporary differences of RMB112,153,000 (2023: RMB112,153,000) 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 2024, 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.

14. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**10,848**	13,565
Spare parts and consumables	**5,713**	2,765
Finished goods	**5,266**	1,160
Costs to fulfil contracts	**3,190**	1,205
	25,017	18,695
Less: Write-down of inventories	**(4,691)**	–
	20,326	18,695

15. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**75,494**	100,290
Bills receivable	**–**	19,566
	75,494	119,856

The Group's trading terms with its customers are mainly on credit. During the year, the Group granted credit terms ranging from one month to four months (2023: one month to four months) to its 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, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**74,779**	100,290
3 to 6 months	**705**	–
6 to 9 months	**10**	–
	75,494	100,290

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

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**–**	2,674
Reversal of impairment losses	**–**	(2,674)
At end of year	**–**	–

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 2024

	Current	**Past due**	**Total**
Expected credit loss rate	**–**	**–**	**–**
Gross carrying amount *(RMB'000)*	**75,494**	**715**	**75,494**
Expected credit losses *(RMB'000)*	**–**	**–**	**–**

As at 31 December 2023

	Current	Past due	Total
Expected credit loss rate	–	N/A	N/A
Gross carrying amount *(RMB'000)*	100,290	–	100,290
Expected credit losses *(RMB'000)*	–	–	–

Transfers of financial assets

The Group endorsed bank acceptance bills to its suppliers for settling trade payables of the same amounts on a full recourse basis. All bank acceptance bills had a maturity term from one to six months at the end of the reporting period.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2024, the Group had not endorsed any bills receivable to its suppliers. As at 31 December 2023, the Group endorsed certain bills receivable accepted by banks with high credit quality 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 RMB3,595,000 (referred to as the "Derecognised Bills"). 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 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.

Transferred financial assets that are not derecognised in their entirety

The other bank acceptance bills with a total carrying amount of RMB19,566,000 endorsed by the Group to its suppliers as at 31 December 2023 to settle trade payables of the same amounts, were not derecognised. In the opinion of the Directors, the Group retained substantially all risks and rewards of these bank acceptance bills, and accordingly, it continued to recognise the full carrying amounts of these bills receivable and the associated liabilities.

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**11,906**	8,063
Less: pledged time deposits for issue of bills payable	**(25)**	(25)
Cash and cash equivalents	**11,881**	8,038

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

	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances denominated in:		
HKD	**769**	336
SGD	**273**	275

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.

17. 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:

	2024	2023
	RMB'000	*RMB'000*
Within 180 days	**22,878**	63,649
181 to 365 days	**32,567**	1,348
1 to 2 years	**2,663**	1,608
2 to 3 years	**1,451**	2,149
Over 3 years	**4,026**	2,275
	63,585	71,029

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

18. CONTRACT LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Advances received from customers		
Sale of self-produced high-grade iron concentrates	**22,097**	28,883

The movement of contract liabilities for the years ended 31 December 2024 and 2023 was mainly due to the increase in 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:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**28,883**	8,216
Revenue recognised that was included in the contract liabilities at the beginning of year	**(4,648)**	(8,044)
Increase due to cash received, excluding amounts recognised as revenue during the year	**1,905**	28,847
Decrease due to cash refunded during the year	**(4,043)**	(136)
At 31 December	**22,097**	28,883
Analysed into:		
Current portion	**2,097**	8,883
Non-current portion	**20,000**	20,000

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as non-current based on the Group's earliest obligation to transfer goods or services to the customers.

19. OTHER PAYABLES AND ACCRUALS

	Note	2024 *RMB'000*	2023 *RMB'000*
Current portion:			
Payables related to:			
Construction in progress		**13,832**	27,094
Taxes other than income tax		**1,907**	7,958
Exploration and evaluation assets		**9,121**	8,925
Payroll and welfare payable		**14,529**	11,486
Consultancy and professional services fees		**1,174**	1,192
Mining right payable	*(a)*	**4,473**	4,264
Deposits received		**668**	544
Accrued government surcharges		**4,529**	4,529
Accrued interest expenses		**2**	609
Other payables		**13,346**	10,105
		63,581	76,706
Non-current portion:			
Mining right payable	*(a)*	**31,787**	36,260
Other payable		**30,680**	17,468
Accrued interest expenses		**639**	–
		63,106	53,728
		126,687	130,434

Note:

(a) The balance of mining right payable as at 31 December 2024 represented the remaining balance of mining right payable of approximately RMB43,700,000 (equivalents to a present value of approximately RMB36,260,000) (2023: RMB49,950,000 (equivalents to a present value of approximately RMB40,524,000) for resource integration process of mining rights to the relevant PRC government authority, which the remaining balance is scheduled to be paid over seven annual instalments up to 31 December 2031.

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2024 *RMB'000*	2023 *RMB'000*
Bank loans – Secured	*(a)*	**69,600**	69,600
Bank loans – Unsecured	*(b)*	**2,800**	–
Other borrowings – Unsecured	*(c)*	**19,044**	12,994
		91,444	82,594
Analysed into:			
Bank loans repayable:			
Within one year		**72,400**	69,600
Other borrowings repayable:			
Within one year		**–**	–
In the second year		**19,044**	12,994
		19,044	12,994
Total bank and other borrowings		**91,444**	82,594
Balances classified as current liabilities		**(72,400)**	(69,600)
Balances classified as non-current liabilities		**19,044**	12,994

	2024 *(Effective interest rate)*	2023
Bank loans	**3.35%-3.55%**	5.00%
Other borrowings	**4.00%**	4.00%-5.00%

Notes:

(a) As at 31 December 2024, the Group's bank loan of RMB69,600,000 (2023: RMB69,600,000) are secured by:

(i) Mining rights of Maoling-Yanglongshan Mine with a net carrying amount of RMB165,606,000 (2023: RMB172,226,000) *(note 9)*; and

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

(b) The balance as at 31 December 2024 represented one year loans granted by financial institutions to Sichuan Lingwei at the annual interest rate of 3.55%. These loans were unsecured with repayment terms of one year.

(c) The balance as at 31 December 2024 represented long-term loans granted by an independent third party to Aba Mining at the annual interest rates of 4.00% (2023: 4.00% to 5.00%). These loans were unsecured with repayment terms of two years (2023: fifteen months to two years).

21. PROVISION FOR REHABILITATION

	2024 *RMB'000*	2023 *RMB'000*
At beginning of year	**15,303**	14,660
Additions	**–**	714
Unwinding of discount *(note 5)*	**778**	753
Utilisation during the year	**(238)**	(824)
At end of year	**15,843**	15,303

22. SHARE CAPITAL

	2024	2023
Number of ordinary shares		
Authorised ordinary shares of HKD 0.1	**10,000,000,000**	10,000,000,000
Issued and fully paid ordinary shares of HKD 0.1	**2,249,015,410**	2,249,015,410

	2024 *RMB'000*	2023 *RMB'000*
Amounts		
Issued and fully paid ordinary shares of HKD 0.1	**197,889**	197,889

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

	Number of shares in issue	**Issued capital** *RMB'000*
At 1 January 2024 and 31 December 2024	2,249,015,410	197,889

23. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 2,249,015,410 (2023: 2,249,015,410) in issue during the year ended 31 December 2024.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the years ended 31 December 2024 and 2023 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.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

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

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance."

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the reporting period, the Group observed the following key developments across global and domestic markets, identifying trends that shape the industry landscape.

- In 2024, the global economy continued its gradual recovery, supported by moderating inflation and a more accommodative monetary policy stance in various economies. While global trade rebounded, economic growth remained subject to external uncertainties, including evolving geopolitical dynamics, trade policy shifts, and fiscal pressures in certain economies. Global gross domestic product ("GDP") growth is projected to remain at approximately 2.7% through 2025 and 2026.

- In China, the National Bureau of Statistics reported a 5.0% GDP growth rate for 2024, aligning with government targets. 4Q2024 GDP growth exceeded expectations at 5.4%, reflecting improving momentum in certain sectors. While the overall growth rate was 0.2 percentage points lower than in 2023, China's economy demonstrated resilience amid ongoing structural adjustments, particularly in the real estate sector.

- According to the World Bank's China Economic Update, China's economic growth is projected to moderate to 4.5% in 2025, reflecting evolving consumption patterns, financial market adjustments, and demographic trends. Policies aimed at bolstering domestic demand and maintaining economic stability are expected to remain a priority, supporting long-term economic resilience.

- The global steel market softened in 2024, particularly in the 2H2024. Global crude steel production stood at approximately 1,882.6 million tonnes, reflecting a 0.8% year-on-year decline. China's crude steel production totalled 1,005.1 million tonnes, down 1.7% year-on-year. According to the 2025 Chinese and Global Steel Demand Forecast by the China Metallurgical Industry Planning Research Institute, China's steel consumption was approximately 863 million tonnes, declining 4.4% year-on-year. The contraction was primarily attributed to adjustments in the real estate sector, though infrastructure investment and manufacturing provided some offsetting support. Consumption is expected to ease further to 850 million tonnes in 2025, a 1.5% year-on-year decline.

- The Chinese Steel Price Index ("CSPI") declined from 112.67 in January 2024 to 97.57 in November 2024, marking a 13.4% decrease. The steel market transitioned into a lower-demand period toward year-end, contributing to a supply-demand imbalance and downward price trends. The annual average CSPI for 2024 stood at 102.47, representing an 8.39% year-on-year decline. Despite adjustments in the domestic market, China's steel exports remained robust in 2024, reaching their highest levels since 2015. This was supported by evolving trade dynamics and increased infrastructure investment in Southeast and South Asia. While uncertainties remain due to shifts in global trade policies and macroeconomic conditions, infrastructure development in emerging markets is expected to contribute to steady steel demand in the near term.

- The iron ore market experienced price volatility in 2024, following an overall downward trend with intermittent rebounds. According to the Iron Ore Price Index compiled by MySteel Group, the index peaked at 1,138.5 in January 2024, driven by market optimism over a demand recovery. Prices later declined to a yearly low of 765.9 in September 2024 before rebounding to 845.7 by year-end.

- China's Purchasing Managers' Index ("PMI") for manufacturing fluctuated throughout the year, reflecting evolving industry conditions. The index reached a high of 52.7 in March, indicating a strong post-holiday recovery, before moderating to 50.2 by July. A gradual rebound in 4Q2024 saw the PMI recover to 52.2 in December, suggesting improved manufacturing activity at year-end. Meanwhile, the steel sector PMI stood at 47.5 in December, reflecting a more subdued performance compared to the broader manufacturing sector.

- In 2024, efforts to enhance steel industry capacity management remained a key focus. While the Dual Carbon targets and capacity replacement policies introduced in 2020 aimed to support long-term structural adjustments, production volumes continued to expand in certain areas. In August 2024, the Ministry of Industry and Information Technology ("MIIT") issued a Notice on Suspending Steel Capacity Replacement Work*（《工業和信息化部辦公廳關於暫停鋼鐵產能置換工作的通知》）, temporarily halting new capacity replacement plans starting 23 August 2024. This measure was introduced to further refine industry capacity management and enhance the effectiveness of supply-side adjustments. As steel demand evolves, industries such as automotive manufacturing, home appliances, shipbuilding, and renewable energy (including wind and nuclear power) are expected to play an increasing role in shaping demand. Steel enterprises are anticipated to optimize production strategies to align with shifting market trends and technological advancements.

- According to the China Property Management Industry 2024 Summary and 2025 Outlook*（《2024中國物業管理行業市場總結&2025趨勢展望》）released by the China Index Academy, China's property management industry maintained stable growth momentum in 2024. As market conditions evolved, industry players prioritized service quality enhancements, operational efficiency, and business sustainability. During 1H2024, certain companies streamlined their portfolios by exiting selected contracted and managed projects to optimize operations, leading to short-term adjustments in management scale while ensuring long-term stability.

- Looking ahead, competition within the property management sector is expected to intensify, with companies focusing on service differentiation and operational efficiency. Given the limited availability of high-quality projects, competitive strategies will likely center on service quality, pricing models, and operational scalability. The sector is also expected to deepen its presence in local markets while enhancing expertise in core service areas.

- In 1H2024, basic property services accounted for 72.06% of total industry revenue, serving as a key growth driver. Meanwhile, non-owner value-added services saw a decline due to adjustments in the real estate sector, resulting in fewer projects from developers. Community-based value-added services – particularly those addressing everyday lifestyle needs, including community retail, housekeeping, elderly care, education, and water supply – demonstrated strong growth potential. The stable demand for these services highlights positive long-term prospects, positioning community lifestyle offerings as a key focus area for future industry expansion.

BUSINESS AND OPERATIONS REVIEW

Operation and Financial Overview

During the Reporting Period, the Group's overall profitability declined, primarily attributable to the temporary suspension of operations at the Maoling-Yanglongshan Mine from July to November 2024 due to an incident involving a subcontractor (the "Temporary Suspension"). Despite these operational challenges, average selling price for high-grade iron concentrates was higher. However, the trading business declined amid an oversupply and softened domestic demand, reflecting broader trends in PRC's economic environment.

In addition, while weaker market sentiment led to a decline in steel trading volumes and average selling prices, the Group managed to expand its facility management services business, which contributed positively to revenue and partially offset the decline in profitability.

Specifically:

- the production and sales volume of high-grade iron concentrates decreased by approximately 44.9% and 48.3%, respectively;

- the average selling price for high-grade iron concentrates increased by approximately 12.6%; and

- the steels trading volume decreased by approximately 23.5% to approximately 148.9Kt in FY2024, with a decrease in average selling price by approximately 8.5%.

Despite the above challenges, revenue from facility management increased to RMB20.5 million (FY2023: RMB19.5 million), supported by the expansion of service scopes, while the Group also recorded its maiden profits of RMB1.7 million from joint ventures in the industrial facility management services.

Overall, the Group's gross margin declined, resulting in a lower gross profit of approximately RMB14.2 million for FY2024 (FY2023: RMB36.5 million). Administrative expenses decreased to approximately RMB19.1 million (FY2023: RMB21.8 million). Furthermore, following a reassessment of the production capacity and operational plans of the Maoling-Yanglongshan Mine after the Temporary Suspension, the Group recognized non-cash accounting impairment losses, including write-down of inventories totaling RMB13.8 million in accordance with applicable accounting standards.

As a result, the Group reported a Net Loss of approximately RMB20.7 million for FY2024 (FY2023: Net profit of approximately RMB9.7 million). Despite the Net Loss position (which included mainly the non-cash accounting impairment losses and write-down), the Group reported a net operating cash flows of RMB 26.2 million.

Details of the financial performance of the Group are set out on page 44 of this announcement.

Overview of Mines

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

Mines	**Processing Plant**	**Status as at 31 December 2024**
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	Assessing and evaluating development and mining plans

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 independent third parties** (1)		
		FY2024 ***(Kt)***	FY2023 *(Kt)*	Change *%*	**FY2024** ***(Kt)***	FY2023 *(Kt)*	Change *%*
(i)	**Trading Sales**						
	Steels	**148.9**	194.7	(23.5)	**148.9**	194.7	(23.5)

		Production volume (Dry basis)			**Sales volume** (1) **(Dry basis)**		
		FY2024 ***(Kt)***	FY2023 *(Kt)*	Change *%*	**FY2024** ***(Kt)***	FY2023 *(Kt)*	Change *%*
(ii)	**Sale of Self-produced Products**						
	High-grade iron concentrates	**62.7**	113.8	(44.9)	**58.8**	113.8	(48.3)

Note:

(1) In general, the Group's customers for the above business segments have been highly concentrated given its business strategy. Specifically, the Group's supplies steels and iron-related products in bulk to customers who have good credit records and require stable supply. The Group's core strategy emphasises on staying competitive, maintaining optimal business volumes with customers backed by good repayment records while achieving profitability and generating operating cash flows without overstretching its working capital. The Group has also adopted prudent internal credit assessment policies to ensure that there will not be any significant changes in the credit risk profiles of its potential customers. The Group has also been mindful of not over-diversifying its customer base amidst heightened credit risk environment in China.

(2) The trading business is an extension of the Group's core mining operations within its supply chain management. Given the working capital requirements and industry norms, the trading business generally operates on an indent basis whereby goods are procured only after customer orders are confirmed in order to minimise inventory risks and reduce capital lock-in, which aligns with industry practices to mitigate financial exposure, especially in markets with fluctuating demand. The nature of the trading business has typically been high volumes, low margins.

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:

- **Dynamic macroeconomic environment** – the macro business environment in which the Group operates is highly dynamic that any adverse change in market conditions for sale of iron concentrates and trading of steels may materially affect the businesses of the Group;

- **Price fluctuations and market sentiment** – price fluctuations of iron concentrates, variations in capacity utilisation rates, and shifts in market sentiment influenced by geopolitical tensions and demand changes may result in re-assessment of the valuation of the intangible assets (in relation to exploration and/or mining rights), potentially leading to impairment losses due to decreased value-in-use and reduced economic returns as may be derived from the related cash-generating units;

- **Regulatory changes** – changes in government policies, laws and regulations in the PRC may affect the Group's operational practices and/or result in additional compliance costs;

- **Credit risk exposure** – weak market demand, challenging business environment and real estate crisis may lead to more stringent terms and restrictive financial covenants being imposed by financiers on any corporate refinancing and debts restructuring plans, as applicable. Such conditions could further result in liquidity crunch and exacerbate credit risk conditions, which could potentially lead to broader industry spillovers;

- **Strategy implementation and resource allocation** – delays or deviations in executing growth and transformation strategies, or in reallocating resources, may affect the Group's operational efficiency and financial results; and

- **Guarantee obligations** – the outcomes of ongoing litigations against the Company's former subsidiaries for indebtedness owing to certain financial institutions, on which the Company has provided corporate guarantees, remain uncertain, which may require the Company to take further legal actions and vigorously pursue its rights against the former subsidiaries or other parties, if it suffers any financial losses arising from such guarantees.

FINANCIAL REVIEW

	FY2024	FY2023	Variance
	RMB'000	*RMB'000*	*%*
Revenue	**542,490**	784,951	(30.9)
Cost of sales	**(528,287)**	(748,417)	(29.4)
Gross profit	**14,203**	36,534	(61.1)
Other income and gain	**12,402**	17,244	(28.1)
Selling and distribution expenses	**(2,667)**	(2,254)	18.3
Administrative expenses	**(19,064)**	(21,783)	(12.5)
Other expenses	**(9,976)**	(9,980)	(0.0)
Reversal of impairment losses on trade and other receivables	**371**	2,674	(86.1)
Impairment losses and write-down	**(13,790)**	–	N/M
– Inventories	**(4,691)**	–	N/M
– Property, plant and equipment	**(4,947)**	–	N/M
– Intangible assets	**(4,152)**	–	N/M
Finance costs	**(7,750)**	(8,323)	(6.9)
Share of results of joint ventures	**1,680**	–	N/M
(Loss)/Profit before tax	**(24,591)**	14,112	(274.3)
Income tax credit/(expenses)	**4,502**	(5,032)	(189.5)
(Loss)/Profit for the year	**(20,089)**	9,080	(321.2)
ATTRIBUTABLE TO:			
Owners of the Company	**(20,662)**	9,697	(313.1)
Non-controlling interests	**573**	(617)	(192.9)
	(20,089)	9,080	(321.2)

Revenue

Revenue decreased to approximately RMB542.5 million for FY2024 (FY2023: RMB785.0 million), mainly due to lower trading volume and lower sales of high-grade iron concentrates, which fell substantially due largely to the Temporary Suspension at the Maoling-Yanglongshan Mine, as previously disclosed. Despite these challenges, revenue from facility management segment remained relatively unchanged, as supported by an expanded scope of services.

In recognizing revenue from the trading business, the Group applies the accounting policy in accordance with IFRS 15 *Revenue from Contracts with Customers*. The trading business is an extension of the Group's core mining operations within its supply chain management. Given the working capital requirements and industry norms, the trading business generally operates on an indent basis. Under this model, goods are procured only after customer orders are confirmed, minimising inventory risks and reducing capital lock-in. This approach aligns with industry practices to mitigate financial exposure, especially in markets with fluctuating demand. The trading business model has typically been high volumes, low margins due mainly to the inherent nature of industrial steel being a low-margin commodity.

Cost of Sales

Cost of sales mainly comprises direct materials, labour, power and other utilities, repair and maintenance, depreciation, and amortization as well as environmental compliance cost, contracting fees for mining and stripping, and trading purchase.

For FY2024, cost of sales fell to approximately RMB528.3 million (FY2023: RMB748.4 million) on the back of lower revenues.

Gross Profit and Margin

The Group recorded a lower gross profit of approximately RMB14.2 million for FY2024 (FY2023: RMB36.5 million), primarily due to increased production costs for the High-Fe Mining Operations. The Temporary Suspension led to a reduction in production volume, resulting in higher unit production costs, non-recurring production stoppage losses, and lower economies of scale. Consequently, the Group's gross profit margin declined to approximately 2.6% for FY2024 (FY2023: 4.7%). In addition, having considered those factors as outlined in "Revenue" above, the prevailing macroeconomic conditions and existing operating models, the Group believes that the gross margins for the trading business have been within the industrial average.

Other Income

Other income decreased to approximately RMB12.4 million for FY2024 (FY2023: RMB17.2 million) primarily due to lower proceeds from the sale of mine tailings, which fell to approximately RMB0.7 million (FY2023: RMB7.2 million) as a result of lower mine tailings volume following the Temporary Suspension, as well as the impact of reduced production among downstream industries on the resale of mine tailings. Other income also included (i) guarantee fee income of approximately RMB8.6 million (FY2023: RMB8.6 million) under the 2022 Master Guarantee Agreement; and (ii) one-off gain from the write-off of trade and other payables of RMB1.9 million, arose from the extinguishment of settlement obligations after the expiration of the statutory limitation period.

Selling and Distribution Expenses

Selling and distribution expenses, which comprise mainly delivery, logistics, storage and warehousing costs, increased to approximately RMB2.7 million for FY2024 (FY2023: RMB2.3 million) mainly due to warehousing cost, which was mainly fixed in nature despite a decline in sales volume of high-grade iron concentrates during the year.

Administrative Expenses

Administrative expenses, which comprise mainly staff related expenses, professional fees and other fixed operating overheads (including those associated with production disruption and suspension), declined slightly to approximately RMB19.1 million for FY2024 (FY2023: RMB21.8 million) due to cost control and improvement in operational efficiency.

Other Expenses

Other expenses, which comprise primarily cost of processing for mine tailings, remain relatively stable at approximately RMB10.0 million for FY2024 (FY2023: RMB10.0 million) due mainly to lower resale volume of mine tailings as discussed in the section headed "Other Income" above. The associated cost of disposal of mine tailings declined to approximately RMB3.0 million (FY2023: RMB7.5 million). Other expenses also included (i) a write-off of non-operational property, plant and equipment of RMB1.5 million as triggered by the Temporary Suspension; and (ii) one-off stoppage loss of RMB3.9 million due to the Temporary Suspension.

Reversal of impairment loss on trade and other receivables

For FY2024, there was reversal on trade receivables of approximately RMB0.4 million (FY2023: RMB2.7 million) due to recollections during the year.

Impairment Losses and Write-down

As at 31 December 2024, the management of the Group recorded non-cash impairment losses, including the write-down of inventories, totaling RMB13.8 million in relation to the High-Fe Mining Operation's CGU and inventories taking into consideration, among others, the Temporary Suspension, business and production plans, and market outlook of high-grade iron concentrates. The management of the Group 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 the Group's CGU may deteriorate to a level which requires accounting impairment as a result of the market forces.

Finance Costs

Finance costs, comprise mainly the cost of funds for working capital loans, interest on lease liabilities, and the accounting effects for unwinding discount of reclamation obligations and long term payables, decreased by approximately 6.9% to approximately RMB7.8 million for FY2024 (FY2023: RMB8.3 million). The decline was largely attributable to a lower China Loan Prime Rate.

Share of Results from Joint Ventures

The Group recorded approximately RMB1.7 million (FY2023: Nil) from its share of maiden profits from joint ventures incorporated, which provide industrial facilities management services.

Income Tax Credit/(Expenses)

The Group recorded income tax credit of approximately RMB4.5 million for FY2024 (FY2023: income tax expenses of approximately RMB5.0 million). The decrease in tax expense was primarily due to the recognition of deferred tax assets totaling RMB5.4 million, which largely arose from impairment losses related to the Maoling-Yanglongshan CGU. This contrasts with the tax position in FY2023, where no significant deferred tax assets were recognized, resulting in a higher tax expense for the prior year.

(Net Loss)/Net Profit

Given the above, the Group recorded a Net Loss of approximately RMB20.7 million for FY2024 (FY2023: Net Profit of approximately RMB9.7 million), which includes non-cash accounting impairment and other write-down amounting to RMB13.8 million, as abovementioned.

Final Dividend

The Board does not recommend the payment of a final dividend for FY2024 (FY2023: Nil).

LIQUIDITY AND CAPITAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for FY2024 and FY2023:

	FY2024		FY2023	
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Cash and cash equivalents at beginning of the year		**8,038**		9,357
Net cash flows from operating activities	**26,158**		95,147	
Net cash flows used in investing activities	**(27,753)**		(79,770)	
Net cash flows from/(used in) financing activities	**5,443**		(16,712)	
Net increase/(decrease) in cash and cash equivalents		**3,848**		(1,335)
Effect of foreign exchange rate changes, net		**(5)**		16
Cash and cash equivalents at end of the year		**11,881**		8,038

Net Cash Flows From Operating Activities

The Group's net cash flows from operating activities were approximately RMB26.2 million for FY2024 (FY2023: RMB95.1 million) after accounting for (i) operating income before working capital changes of approximately RMB8.5 million (FY2023: RMB37.4 million); (ii) positive working capital changes of approximately RMB20.3 million (FY2023: RMB60.3 million); and (iii) income tax payment of approximately RMB2.7 million (FY2023: RMB2.6 million).

Net Cash Flows Used In Investing Activities

The Group's net cash flows used in investing activities were approximately RMB27.8 million for FY2024 (FY2023: RMB79.8 million) due mainly to (i) the capital expenditures of approximately RMB19.0 million (FY2023: RMB30.7 million) for engineering and preparatory works on site for progressive upgrade and expansion of the High-Fe Mining Operations; (ii) installment payments for the resource integration process related to Maoling-Yanglongshan's mining right of RMB6.3 million (FY2023: RMB48.3 million); and (iii) capital injection in joint venture company of RMB2.5 million (FY2023: Nil).

Net Cash Flows From/(Used In) Financing Activities

The Group's net cash flows from financing activities were approximately RMB5.4 million for FY2024 (FY2023: net cash flows used in financing activities of RMB16.7 million), due primarily to (i) net proceeds from bank and other borrowings of approximately RMB8.9 million (FY2023: net repayments of RMB6.0 million); (ii) lease payments of approximately RMB3.2 million (FY2023: RMB6.0 million) related to the right-of-use assets; (iii) interest payments of approximately RMB3.9 million (FY2023: RMB4.7 million) associated with the borrowings; and (iv) increase in amount due to related parties RMB3.7 million.

FINANCIAL POSITION

Intangible Assets

The Group's intangible assets primarily comprise concession rights for the Maoling-Yanglongshan Mine and the Shigou Gypsum Mine. The carrying value of the Maoling-Yanglongshan Mine declined to approximately RMB165.9 million (FY2023: RMB172.4 million), primarily due to impairment losses as detailed in the section headed "Impairment Losses and Write-down" above. While the carrying value of the Shigou Gypsum Mine stood at approximately RMB649.7 million (FY2023: RMB649.7 million).

Inventories

The Group's inventories, comprise raw materials, finished goods and consumables in relation to the High-Fe Mining Operations, increased to approximately RMB20.3 million as at 31 December 2024 (FY2023: RMB18.7 million) mainly due to raw materials restocking in anticipation of production.

Trade and Bills Receivables

The Group's trade and bills receivables decreased to approximately RMB75.5 million as at 31 December 2024 (FY2023: RMB119.9 million) due to shorter collection cycles as part of credit management measures. The overall debtor turnover days were 66 days (FY2023: 76 days). The trade receivables have substantially been collected subsequent to the Reporting Period, while the remaining balance, which falls within the credit period, is expected to be collected before the second quarter of 2025.

Prepayments and Other Receivables

The Group's prepayments and other receivables increased to approximately RMB108.6 million as at 31 December 2024 (FY2023: RMB96.3 million) for deposits and advanced payments made to a supplier for procurement of steel supply in relation to confirmed orders which were fully delivered to customers as at the date of this announcement.

Trade Payables

The Group's trade payables decreased to approximately RMB63.6 million as at 31 December 2024 (FY2023: RMB71.0 million) due to lower purchase volume. The overall creditor turnover days were approximately 46 days (FY2023: 26 days).

Borrowings

Total borrowings of the Group increased to approximately RMB91.4 million as at 31 December 2024 (FY2023: RMB82.6 million), due to additional working capital facilities obtained during FY2024. As at 31 December 2024, all borrowings were denominated in RMB. Details of the borrowings of the Group are set out in note 20 to the consolidated financial statements of this announcement.

Lease Liabilities

The total lease liabilities of the Group of approximately RMB21.1 million as of 31 December 2024 (FY2023: RMB23.2 million) represents payment obligations related to the right-of-use assets for (i) office premises; (ii) mine tailings facilities; and (iii) storage facility for mine tailings.

Contingent Liabilities and Financial Guarantees

Financial guarantees for former subsidiaries prior to the 2019 Disposal

Reference is made to the circulars of the Company dated 10 June 2019 and 8 June 2022 (the "Circulars"), and the announcements of the Company dated 30 July 2019, 16 May 2022, 28 March 2024, 19 June 2024, 19 August 2024, 21 August 2024, 15 November 2024, 23 December 2024, 11 February 2025 and 4 March 2025 (the "Announcements").

As disclosed in the Circulars and the Announcements, Huili Caitong, the Company's former wholly-owned subsidiary, and Xiushuihe Mining, another former indirect subsidiary of the Company and a subsidiary of Huili Caitong, previously secured loan facilities from the Financial Institutions, in 2010, 2013 and 2014, and on which the Company has provided the CVT Guarantees in favour to each of the Financial Institutions with a maximum guaranteed amounts of RMB730.0 million. The details of the CVT Guarantees had previously been disclosed in the Circulars and the Company's annual reports; and are consistent with the terms and conditions for the completion of the 2019 Disposal.

Following the 2019 Disposal, the Company and Chengyu Vanadium entered into the 2019 Counter Indemnity for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees. The 2019 Counter Indemnity remains effective until the date of actual release of the CVT Guarantees.

Given that the CVT Guarantees are continuing in nature and will only be released upon the full and final settlement are made and officially discharged by the respective Financial Institutions, the Company has, on 16 May 2022, extended the CVT Guarantees by entering into the 2022 Master Guarantee Agreement and the 2022 Counter Indemnity with Chengyu Vanadium Titano, Huili Caitong and Xiushuihe Mining to continue the provision of the CVT Guarantees on such terms and conditions contained therein, including, among other things:

- the Company shall continue to provide the CVT Guarantees in favour of the Financial Institutions for a term commencing from 29 June 2022 to 31 December 2024, subject to a maximum aggregate guaranteed amount of RMB730.0 million (the amount guaranteed under the CVT Guarantees as at 31 December 2024 was RMB690.0 million). The CVT Guarantees shall cover the indebtedness owed by Huili Caitong and Xiushuihe Mining to the Financial Institutions under the CVT Guarantees and any related rolled-over loans approved by the Financial Institutions;

- Chengyu Vanadium Titano shall provide counter-indemnity in favour of the Company under the 2022 Counter Indemnity by (i) pledging its assets as security, the market value of which shall not be less than 1.25 times of the maximum guaranteed amount under the 2022 Master Guarantee Agreement; and (ii) providing a joint liability guarantee which allows the Company to claim against Chengyu Vanadium Titano directly for any payments, losses and expenses incurred as a result of the CVT Guarantees; and

- Huili Caitong and Xiushuihe Mining shall pay an annual guarantee fee to the Company, which is calculated at 1.25% of the maximum guaranteed amount.

The above arrangements were approved by the Independent Shareholders at the 2022 EGM.

The maximum amount guaranteed under the CVT Guarantees as at 31 December 2024 was RMB690.0 million (FY2023: RMB690.0 million), while the principal amount outstanding under the corresponding loan facilities stood at approximately RMB506.6 million (FY2023: RMB506.6 million).

Further to the above, in the Announcements the Company disclosed that, (i) CCB and ICBC had each taken legal actions against Huili Caitong and Xiushuihe Mining, respectively, in relation to the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, the ICBC-Xiushuihe Indebtedness Amount; and (ii) Cinda had issued a legal demand letter to Huili Caitong in relation to the Cinda-Caitong Indebtedness Amount. Under the CVT Guarantees, the Company shall fulfill its corporate guarantee obligations in relation to the Total Indebtedness Amounts.

A summary of the status of each Indebtedness Claims as at the date of this announcement is as follows:

No.	Borrowers	Financial Institutions	Year of inception of the loan	Principal amount involved in the Indebtedness Claims *(RMB'000)*	Status as at the date of this announcement (the "Status Updates")
1	Huili Caitong	Cinda[(1)]	2014	140,975	Huili Caitong had received a legal demand letter from Cinda and has since initiated discussions with Cinda to explore potential settlement options and/or debt restructuring arrangements, as previously announced on 15 November 2024.
2	Huili Caitong	ICBC	2013	69,715	Separate litigations have commenced against Huili Caitong and Xiushuihe Mining and the Huili Caitong Parties are in discussions with ICBC to explore potential options for settlement and/or debt restructuring, as previously announced on 19 August 2024 and 21 August 2024.
3	Xiushuihe Mining	ICBC	2013	19,000	
4	Huili Caitong	CCB	2010	276,929	Huili Caitong has received Judgments and the Judgements also set out that the Company is required to fulfil its corporate guarantee obligations under the CVT Guarantees. The Huili Caitong Parties are in discussion with CCB to explore potential options for settlement and/or debt restructuring, as previously announced on 29 March 2024 and 19 June 2024.
				506,619	

(1) As disclosed in the Company's circular dated 8 June 2022, the Company was informed of the assignment by CMB of all its rights in the credit agreement and the guarantee in favour of Cinda.

As at the date of this announcement, the Huili Caitong Parties are still in discussions with the Financial Institutions, exploring potential options for settlement and/or debt restructuring (the "Ongoing Discussions"). As such, on 11 February 2025, notwithstanding the maximum guaranteed amounts under the CVT Guarantees were RMB690.0 million as at 31 December 2024, the Company has entered into the 2025 Master Guarantee Agreement with the Borrowers and Chengyu Vanadium, pursuant to which the Company will continue to provide the CVT Guarantees based on the maximum guaranteed amounts estimated to be not more than RMB930.0 million for the year ending 31 December 2027, while Chengyu Vanadium will continue to provide the counter-indemnity in favour of the Company and the Borrowers will continue to pay annual guarantee fees to the Company, for a term of three years ending on 31 December 2027. The 2025 Master Guarantee Agreement shall be conditional upon the approval of the independent shareholders of the 2025 EGM. For further details, please refer to the Company's announcement dated 11 February 2025 and 4 March 2025.

Notwithstanding the above, the Company reasonably believes that the indicative market value and the indicative forced sale value (as estimated for an uncontrollable event) of the operating assets of the Huili Caitong Parties remains higher than the principal amount of the Total Indebtedness Amounts as at the date of this announcement.

Having considered (i) the total assets of both Huili Caitong and Xiushuihe Mining (including the indicative market values of their operating assets) as at 31 December 2024; (ii) the adequacy of the transaction contemplated under the 2022 Master Guarantee Agreement and the 2022 Counter Indemnity (which is to be renewed in the 2025 EGM upon the entry into the 2025 Master Guarantee Agreement and 2025 Counter Indemnity); including the appraised value of assets pledged in favour of the Company thereunder according to the latest independent valuation reports, which remained substantially higher than the maximum guaranteed amount under the CVT Guarantees as at 31 December 2024; and (iii) other information currently available to the Group, the Group does not expect the above matters to have a material impact on its business operations and financial position as at the date of this announcement save for the additional administrative expenses (including legal and other professional fees) as may be incurred by the Company.

Financial guarantees for a joint venture company

During FY2024, Sichuan Shengjiawei secured a two-year working capital loan of RMB4.9 million at an interest rate of 7.5% per annum from a financial institution in the PRC (the "JV Loan"). Sichuan Lingwei and its joint venture partner, Neijiang Shengchuan, have in accordance with their respective shareholding in Sichuan Shengjiawei, effectively guaranteed the full repayment of the JV Loan (including interest and related charges) when it falls due. The JV Loan is further supported and secured by a guarantee from a state-backed financing guarantee company.

The principal amount of the JV Loan, as effectively guaranteed by Sichuan Lingwei based on its shareholding in Sichuan Shengjiawei, represents approximately 0.27% of the Group's net assets as at 31 December 2024.

Having considered the financial and operating status of Sichuan Shengjiawei as at 31 December 2024, the Group did not record any contingent liabilities and financial guarantees as at 31 December 2024 in relation to the abovementioned guarantee provided by Sichuan Lingwei.

Save for the above, as at 31 December 2024, the Group did not have any other material contingent liabilities and financial guarantees.

Going Concern

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that whilst the Group had recorded a consolidated loss before income tax of approximately RMB24.6 million for FY2024, the Group had a surplus of approximately RMB8.5 million, excluding non-cash adjustments as reported in the consolidated cash flows statement for FY2024. As at 31 December 2024, the Group's current liabilities of approximately RMB216.8 million include trade payables of approximately RMB63.6 million, contract liabilities of approximately RMB2.1 million, other payables of approximately RMB44.4 million, interest-bearing bank and other borrowings of approximately RMB73.6 million and amount due to related parties of approximately RMB4.0 million, lease liabilities of approximately RMB3.2 million and tax payable of approximately RMB8.9 million which are due for repayment within the next twelve months after 31 December 2024. The Group's current assets, including cash and bank balances of approximately RMB11.9 million, was RMB219.0 million as at 31 December 2024. The net current assets of a mere approximately RMB2.3 million requires the Group to adopt a prudent working capital management ahead.

Having considered the above, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings:

(i) the Group will continue to monitor and improve the collection cycle of its outstanding trade receivables, noting that the debtor turnaround period had improved to 66 days (FY2023:76 days) for FY2024;

(ii) the Group has not experienced any significant difficulties in renewing its short-term bank loans upon their maturities and as at the date of this announcement, and there is no indication that the banks will not renew the existing bank loans, barring unforeseen circumstances. The Group remains proactive in engaging discussions and negotiations with the banks for renewal of its facilities as and when they fall due such that to meet the Group can continue to meet its working capital requirements for the year ending 31 December 2025;

(iii) the Group will continue to explore and discuss with various financial institutions and potential lenders to secure new financing arrangement to meet the Group's working capital and financial requirements, as and when required; and

(iv) the Group, with focusing on productivity improvement for its existing mining and facilities management operations, will continue to evaluate other potential strategic plans and options to divest certain non-core assets, explore other asset-light growth initiatives and extend its business segments.

Having considered the cash flow projection of the Group, which take into account of the above measures, the Directors are of the opinion that, the Group will have sufficient funding resources to meet its working capital at least the next twelve months from the date of approval of the consolidated financial statements, barring unforeseen circumstances.

Pledge of Assets

The Group's pledge of assets as at 31 December 2024 was related mainly to a bank loan of RMB69.6 million granted to Aba Mining, which was secured by (i) the mining right of the Maoling-Yanglongshan Mine; and (ii) 100% equity interest of Aba Mining held by Sichuan Lingyu.

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

Except as disclosed in this announcement and the audited consolidated financial statements for FY2024, 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 FY2024.

Except as disclosed in this announcement, 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 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 (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 20 to the consolidated financial statements of this announcement for more details of the interest rates and terms of repayment of interest-bearing bank and other borrowings.

Capital Expenditures

The Group's total capital expenditures decreased by approximately RMB99.4 million to approximately RMB16.2 million for FY2024 (F2023: RMB115.6 million) mainly due to the Group's recognition of costs associated with the resource integration process of the Maoling-Yanglongshan Mine, including costs incurred for the engineering works performed in preparation for the progressive upgrade and expansion of the High-Fe Mining Operations in the corresponding period. During the Reporting Period, no significant capital expenditures of a similar nature were incurred.

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 of 31 December 2024, the gearing ratio increased to approximately 9.9% (FY2023: 9.4%) mainly due to additional working capital loans were obtained during the year.

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2024, the Group had a total of 356 dedicated full time employees (FY2023: 317 employees), including 5 management staff members, 25 technical staff members, 32 administrative and sales & marketing staff members, and 294 operational staff members. For FY2024, the employee benefit expenses (including Directors' remuneration in the form of fees, salaries and other allowances) were approximately RMB32.3 million (FY2023: RMB34.5 million).

The emolument policies of the Group are based on performance, experience, competence and market comparable. Remuneration packages generally comprise salary, housing allowance, contribution to pension schemes and discretionary bonus relating to the performance of the Group. The Group has also adopted a share option scheme 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

Litigations Involving Former Subsidiaries

References are made to the announcements of the Company dated 28 March 2024, 19 June 2024, 19 August 2024, 21 August 2024, 15 November 2024 and 23 December 2024, (i) CCB and ICBC had each taken legal actions against Huili Caitong and Xiushuihe Mining, respectively, in relation to the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, the ICBC-Xiushuihe Indebtedness Amount; and (ii) Cinda had issued a legal demand letter to Huili Caitong in relation to the Cinda-Caitong Indebtedness Amount. Under the CVT Guarantees, the Company shall fulfill its corporate guarantee obligations in relation to the Total Indebtedness Amounts.

Please refer to the section titled "Contingent Liabilities and Financial Guarantees – Financial guarantees for former subsidiaries prior to the 2019 Disposal" for further details.

Underground safety incident in the Maoling-Yanglongshan Mine

References are made to the announcements of the Company dated 22 July 2024, 8 November 2024 and 3 December 2024. A main subcontractor for Aba Mining reported an incident that resulted in a fatal casualty of an employee of the subcontractor, when it performed an underground scaling operation at the Maoling-Yanglongshan Mine. For safety reasons and in order to facilitate a thorough investigation of the incident, the Group has temporarily suspended the entire operations at the Maoling-Yanglongshan Mine from July 2024 to November 2024. Aba Mining has since received the necessary approval from the Wenchuan County Emergency Management Bureau for the resumption of operations in early December 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 May 2025 to Monday, 26 May 2025 (both days inclusive) during which no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the 2025 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, at 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 Tuesday, 20 May 2025.

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

We further noted that China has recently emphasised the importance of stimulating the business dynamism and boosting the operating scales of China's private sector, and we are thus hopeful that more policies could be rolled out to sustain such economic activities, boost local consumption, navigate the economic risks ahead and in response to the unpredictable US trade policies.

Whilst many have said that the lingering issues of spiralling real estate crisis in China are far from over but as reiterated, we believe its spillover effects are not ignored as the government pledges to preserve economic stability in a bid to boost market confidence. Meanwhile, we will have to monitor the global situation closely as it has since become more complex than ever before. As we had previously guided, it is likely that our business would experience a much slower recovery pace and thus slower business growth ahead. In this light, we should adopt a more measured and less aggressive business expansion strategies ahead.

We believe that facilities management will play an increasingly significant role across various industries and sectors, providing new growth opportunities while diversifying income streams for the Group. As competition in the facilities management industry intensifies, we will have to further enhance our capabilities by expanding service scopes, extending our value chain, and forging strategic collaborations. These initiatives, if implemented as planned, may help to sustain our businesses and mitigate impacts on our financials amid the broad-based contraction in steel demand."

CORPORATE GOVERNANCE

The Company has adopted the CG Code as its own code of corporate governance. The Directors consider that during FY2024, the Company has complied with the applicable code provisions under the CG Code.

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

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

During FY2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF THE COMPANY'S AUDITOR ON THE RESULTS ANNOUNCEMENT

The figures in respect of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position of the Group and the related notes thereto for FY2024 as set out in this announcement have been agreed by the Company's auditor, Forvis Mazars CPA Limited ("Forvis Mazars"), Certified Public Accountants, to the amounts set out in the audited consolidated financial statements of the Group for FY2024. The work performed by Forvis Mazars in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

PUBLICATION OF INFORMATION ON THE HONG KONG STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company and the Hong Kong Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2024 will be made available to the Shareholders for review on the same 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 2024.

GLOSSARY

"2019 Counter Indemnity"	a moveable asset pledge contract entered into between Chengyu Vanadium Titano and the Company on 30 July 2019, for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees (if any), and the pledge of the Chengyu Vanadium Titano's inventories (including but not limited to structural steels, coals etc) as security for such counter indemnity

"2022 Counter Indemnity"	the counter indemnity agreement entered into between Chengyu Vanadium Titano and the Company on 16 May 2022 for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company's contingent liabilities and potential claims covered under the 2022 Master Guarantee Agreement (if any), and the pledge of Chengyu Vanadium Titano's inventories (comprising structural steels and iron ores, or any other assets approved by the Company) as security for such counter-indemnity
"2022 EGM"	the extraordinary general meeting of the Company on 29 June 2022 to approve the 2022 Master Guarantee Agreement (together with the Existing Guarantee Annual Cap(s)) and the transactions contemplated thereunder
"2022 Master Guarantee Agreement"	the master guarantee agreement entered into between the Company, Huili Caitong, Xiushuihe Mining and Chengyu Vanadium Titano on 16 May 2022 under which the Company agreed to continue to provide the CVT Guarantees on certain conditions
"2025 AGM"	the Shareholders' annual general meeting to be held on 26 May 2025
"2025 Counter Indemnity"	the counter-indemnity agreement entered into between Chengyu Vanadium and the Company on 11 February 2025 for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company's contingent liabilities and potential claims covered under the 2025 Master Guarantee Agreement (if any), and the pledge of inventories (mainly comprising industrial materials) and any other assets (mainly comprising machinery and equipment) as approved by the Company as security for such counter-indemnity
"2025 Master Guarantee Agreement"	the renewed master guarantee agreement entered into between the Company, the Borrowers and Chengyu Vanadium on 11 February 2025 (after trading hours), pursuant to which the Company agreed to continue to provide the CVT Guarantees on certain conditions
"2025 EGM"	the extraordinary general meeting of the Company, to be convened to consider and, if thought fit, approve the 2025 Master Guarantee Agreement (together with the Revised Guarantee Annual Cap(s)) and the transactions contemplated thereunder

"Aba Mining"	Aba Mining Co., Ltd.* (阿壩礦業有限公司), a limited liability company established in the PRC on 27 February 2004 and an indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors of the Company
"Borrowers"	Huili Caitong and Xiushuihe Mining
"Caitong Group"	refers to Huili Caitong and its subsidiaries, namely Xiushuihe Mining and Panzhihua Yixingda Industrial Trading Co., Ltd.* (攀枝花易興達工貿有限責任公司), which engage in sale of self-produced low-grade iron concentrates within the range of 53% TFe to 55% TFe and have been disposed of by the Group on 30 July 2019
"CCB"	China Construction Bank Corporation, Liangshan Branch* (中國建設銀行股份有限公司涼山分行)
"CCB-Caitong Indebtedness Amount"	among others, principal indebtedness of RMB276.9 million, accumulated interest thereof and other applicable charges and costs involved up to the actual date of settlement as may be adjudicated by the court(s), owing by a former subsidiary
"CG Code"	refers to the Corporate Governance Code set out in Appendix C1 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.* (成渝釩鈦科技有限公司), formerly known as Weiyuan Steel Co., Ltd.* (威遠鋼鐵有限公司), a sino-foreign equity joint venture established in the PRC on 3 April 2001 and a connected person of the Company
"Cinda"	China Cinda Asset Management Co., Ltd, Sichuan Branch* (中國信達資產管理股份有限公司四川省分公司)
"Cinda-Caitong Indebtedness Amount"	the principal indebtedness of RMB141.0 million and accumulated interest thereof owing by Huili Caitong under loan facilities originally extended by CMB on which the Company had previously provided a corporate guarantee in September 2014, prior to the assignment of such indebtedness by CMB to Cinda in 2017 and prior to the 2019 Disposal

"CMB"	China Merchant Bank Co., Ltd, Chengdu Branch*(中國招商銀行股份有限公司成都分行)
"Company", "our", or "we"	China Vanadium Titano-Magnetite Mining Company Limited, a limited liability company incorporated in the Cayman Islands on 28 April 2008
"Companies Act"	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules and 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 original maximum guaranteed amount of RMB730.0 million, and as at 31 December 2024, RMB690.0 million
"Director(s)"	director(s) of the Company or any one of them
"DNRSP"	Department of Natural Resources of Sichuan Province*(四川省自然資源廳)
"Financial Institutions"	CCB, ICBC and Cinda, in favour of which the Company entered into the CVT Guarantees with an original maximum guaranteed amount of RMB730.0 million (the maximum amount guaranteed under the CVT Guarantees as at 31 December 2024 was RMB690.0 million) as security in relation to credit facilities granted to Huili Caitong and Xiushuihe Mining, respectively
"FY2023"	financial year ended and/or as at 31 December 2023, as applicable
"FY2024"	financial year ended and/or as at 31 December 2024, as applicable
"Group"	the Company and its subsidiaries

"High-Fe Mining Operations"	operations of the sale of self-produced high-grade iron concentrates within the range of 65% TFe to 72% TFe
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huili Caitong"	Huili Caitong Iron and Titanium Co., Ltd.* (會理市財通鐵鈦有限責任公司), 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
"Huili Caitong Parties"	Huili Caitong, Xiushuihe Mining and/or Chengyu Vanadium Titano, as applicable
"ICBC"	Industrial and Commercial Bank of China Limited, Liangshan Branch* (中國工商銀行股份有限公司涼山分行)
"ICBC-Caitong Indebtedness Amount"	among others, principal indebtedness of RMB69.7 million, accumulated interest thereof and other applicable charges and costs involved up to the actual date of settlement as may be adjudicated by the court(s), owing by a former subsidiary
"ICBC-Xiushuihe Indebtedness Amount"	among others, principal indebtedness of RMB19.0 million, accumulated interest thereof and other applicable charges and costs involved up to the actual date of settlement as may be adjudicated by the court(s), owing by a former subsidiary
"IFRS"	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
"Indebtedness Claims" or "Total Indebtedness Amounts"	collectively the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, the ICBC-Xiushuihe Indebtedness Amount and the Cinda-Caitong Indebtedness Amount
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

"Maoling Processing Plant"	the ore processing plant located near the Maoling-Yanglongshan Mine and operated by Aba Mining
"Maoling-Yanglongshan Mine"	an ordinary magnetite mine located in Wenchuan County, Sichuan, with a mining area of 2.7366 sq.km as operated by Aba Mining and integrated under the mining licence issued by the DNRSP on 6 May 2023
"Net Loss" or "Net Profit"	total comprehensive (loss)/profit attributable to owners of the Company
"Reporting Period"	the year ended 31 December 2024
"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 Province, with a mining area of 0.1228 sq.km.
"Sichuan Lingwei"	Sichuan Lingwei Property Service Co., Ltd.* (四川省凌威物業服務有限公司), 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.* (四川省凌御投資集團有限公司), a limited liability company established in the PRC on 9 June 2010 and an indirect wholly-owned subsidiary of the Company
"Sichuan Shengjiawei"	Sichuan Shengjiawei Property Service Co., Ltd.* (四川省盛佳威物業服務有限公司), a joint venture established in the PRC on 15 December 2023, in which the Company indirectly owns 50% equity interest
"Sichuan Yufengwei"	Sichuan Yufengwei Property Service Co., Ltd.* (四川省宇豐威物業服務有限公司), a joint venture established in the PRC on 19 December 2023, in which the Company indirectly owns 50% equity interest
"Trisonic International"	Trisonic International Limited, a company incorporated in Hong Kong on 19 July 2006 and a Controlling Shareholder
"Xiushuihe Mining"	Huili Xiushuihe Mining Co., Ltd.* (會理秀水河礦業有限公司), a limited liability company established in the PRC on 26 June 2007, an indirect subsidiary of the Company which owned 95.0% equity interest through Huili Caitong till 30 July 2019

ABBREVIATIONS, PLACES, CURRENCIES, UNITS AND OTHERS

"BVI"	the British Virgin Islands
"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
"Fe"	chemical symbol of iron element
"gypsum"	a soft hydrous sulfate mineral with the chemical formula $CaSO_4 \cdot 2H_2O$
"HKD"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"km."	kilometre(s), a metric unit measure of distance
"Kt"	thousand tonnes
"N/A"	not applicable
"N/M"	not meaningful. Used to indicate that the current and prior period figures are not comparable, not meaningful, or if the percentage change exceeds 1,000%
"RMB"	the lawful currency of the PRC
"SGD"	the lawful currency of the Republic of Singapore
"sq.km."	square kilometres
"TFe"	the symbol for denoting total iron
"USD"	the lawful currency of the United States of America

* *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, 27 March 2025

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

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