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## CHINA HANKING HOLDINGS LIMITED

中國罕王控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 03788)

### VOLUNTARY ANNOUNCEMENT

#### **Official Confirmation of the Resource Increase in Maogong Iron Mine of Hanking and Plans on Capacity Expansion**

This is a voluntary announcement made by China Hanking Holdings Limited (the “**Company**”). This announcement aims to illustrate the latest business development of the Company to the shareholders of the Company (the “**Shareholders**”) and potential investors.

Reference is made to the voluntary announcement of the Company dated 5 March 2012 in relation to an increase in the estimated resource (the “**Announcement**”). The Announcement stated that Fushun Hanking Maogong Mining Co. Ltd., a wholly-owned subsidiary of the Company, has made a new discovery of a large iron ore body that significantly elevated the resources base in the Maogong Iron Mine. The Announcement also stated that such increase in estimated resource is subject to confirmation of and filing with the relevant government authorities.

The Company is pleased to announce that the increase in estimated resources in Maogong Iron Mine has been confirmed by the Liaoning Provincial Mineral Resource Assessment Centre and the approved filing certificate (“Liao Guo Tu Zi Chu Bei Zi [2012] No. 045”) was issued by Liaoning Provincial Department of Land & Resources. According to the approved filing certificate and the Chinese reserve/resource definitions, the iron ore resource (122b+332+333) increases by 35,504.90 Kt, of which 5,752.27 Kt is classified as probable reserves (122b), 25,354.15 Kt is classified as indicated resources (332) and 4,398.48 Kt is inferred resources (333). The average iron ore grade is 31.29%.

Due to the significant increase in the resources in the Maogong Iron Mine, the Company has formulated a plan to expand the scale of mining and processing capacities of Maogong Iron Mine which is being implemented. As at the date of this announcement, a feasibility study on a new processing plant (the “**New Processing Plant**”) with an annual processing capacity of 3 million tons has been completed and approvals from the relevant government authorities have been obtained.

The New Processing Plant is designed to utilize state-of-the-art ore processing technologies under an advanced PLC control with a high level of automation. The plant will also make use of new technologies such as high pressure grinding rollers to improve the processing efficiency, enhance the recoverability of ore, and minimize impact to the environment. Furthermore, the plant will maximize the economy of recycling by implementing a grading mechanism that extracts reusable sands from tailings. The design of the New Processing Plant consistently follows the Company’s philosophy in creating “Green Mine, Recycling Economy”.

It should be noted that the New Processing Plant is yet to be constructed. Shareholders and potential investors are urged to exercise caution when dealing in the shares of the Company. Should there be any update in relation to the construction of the New Processing Plant, the Company will publish further announcement pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in due course.

By order of the Board  
**China Hanking Holdings Limited**  
**Yang Min**  
*Chairlady and non-executive Director*

Shenyang, PRC, 29 May 2012

*As at the date of this announcement, the executive directors of the Company are Mr. Pan Guocheng, Mr. Zheng Xuezhi, Mr. Xia Zhuo and Mr. Qiu Yumin; the non-executive directors of the Company are Ms. Yang Min, Mr. Yang Jiye, Mr. Lan Fusheng and Mr. Kenneth Jue Lee; and the independent non-executive directors of the Company are Mr. Chen Yuchuan, Mr. Wang Ping, Mr. Johnson Chi-King Fu and Mr. Wang Anjian.*