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罕王
HANKING

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)

PROFIT WARNING

This announcement is made by China Hanking Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Based on a preliminary review by the Company’s management on the management accounts of the Group, the board (the “Board”) of directors (the “Directors”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Group is expected to record a decrease of about 30% in the profit for the year ended 31 December 2013 as compared with the profit recorded by the Group for the year ended 31 December 2012, which is mainly attributable to (i) an increase in financial costs due to the increase in total credit facilities arising from the new merger and acquisition projects of the Company in 2013; (ii) the maintenance costs incurred for the gold mine business in Australia acquired by the Company in the first half of 2013 which is still at the pre-production preparation stage; (iii) the non-recurring expenses generated from the share awards granted to the management by the controlling shareholder; and (iv) substantial decrease in the loss arising from Indonesian nickel ore business as compared with the loss recorded in the last year.

In late 2013, the technology upgrading and expansion project of phase II of the first processing plant of Aoni Mine (being an iron mine located at Hou’an Town, Fushun City and operated by the Group) and the new processing plant of Maogong Mine (being an iron mine located at Shiwen Town, Fushun City and operated by the Group) were completed and put into production. Thereby, the Group had two processing plants with annual ore processing capacity of 3 million tonnes.

There was no decrease in the Group's profitability of the principal business in the iron mine sector in 2013. In fact, the profitability was significantly enhanced through production expansion and technology upgrading, and the production capacity and operating income are expected to increase in 2014. The Company will adopt proactive and efficient measures to strictly control operating expenses and reduce management costs.

The information contained in this announcement is only based on the preliminary assessment by the Board in accordance with the unaudited management accounts of the Group for the year ended 31 December 2013, and is not based on any information or figures which have been audited or reviewed by the Company's auditors and may be subject to possible adjustments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2013 which is expected to be announced in March 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Shenyang, the PRC, 29 January 2014

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