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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)

**VOLUNTARY ANNOUNCEMENT – MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE NICKEL SMELTER CONSTRUCTION PROJECT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 31 March 2015 (after trading hours), a non-legally binding MOU was entered into between the Company, POSCO, and RG, containing, among other things, terms regarding the investment, construction, and operation of the Project.

The Board wishes to emphasize that since the MOU is not legally binding and the transaction under the MOU may or may not proceed, Shareholders and investors of the Company should exercise cautions when dealings in the securities of the Company.

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THE NON-LEGALLY BINDING MOU

Summarized below are the principal terms of the non-legally binding MOU.

Major Terms of the MOU

Date: 31 March 2015

Parties

Owner: the Company

Constructor: POSCO

Funder: RG

Pursuant to the MOU, the Owner, the Constructor, and the Funder have agreed that it is the parties' intention to discuss further and to explore the possible investment opportunity for the Company to develop the Project. According to the terms and conditions of the MOU, a New Company which has the right of Nickel mine and Smelter shall be established. The Company and RG shall provide equity investment for the development of the Project. The Company shall pledge all assets and rights of the New Company. If RG obtain all the equity rights of the New Company because the Company's default, RG agrees that the Company has the priority to buy its product, i.e. nickel ore or any product related to nickel ore at market price from RG. Furthermore, the Company shall enter into a long term off-take agreement with RG where RG can buy to a maximum of 50% of total production volume of the Project at a 2% discount on the market price.

Under the MOU, POSCO shall be responsible for completing all EPC procedures of the Project.

REASONS FOR ENTERING INTO THE MOU

Although Iron ore business remains the principal business and sales income stream of the Group, the Group has diversified into the nickel ore business and gold mining business.

The Group has been actively seeking for opportunities to diversify the existing business into a new line of business with significant growth potential and diversify the Group's revenue stream in order to enhance Shareholders' value. In light of the increasing demand of nickels (which is the important ingredient in steel production) stimulated by the fast-growing economy in the PRC and the ever decreasing metal reserve globally, the Directors expect that tapping into nickels related business will benefit the Company and the Shareholders as a whole.

Background

In the first half of 2013, the Company acquired 52.5% interest of a world-class laterite nickel mine project (the "**Nickel Ore Project**") located in North Konawe Regency, South East Sulawesi, The Republic of Indonesia. By the end of 2014, given the cutoff of 1% nickel, the deposit contains about 351 million tons of laterite nickel ore resources with an average nickel grade of 1.37% according to Australian JORC standard (2012 version), amounting to total of 4.79 million tons of nickel metal. In addition, the deposit contains a resource of 90 million tons of high Fe low Ni ores, with the average TFe grade of 50.27%. This Nickel Project consists of three sub-project companies, namely PT Konutara Sejati, PT Karyatama Konawe Utara and PT Konutara Prima. Since the acquisition, the Company has devoted its effort to development of mining capabilities and infrastructure

constructions. So far, the Nickel Project has completed construction of extensive infrastructure facilities, including ports, camps, transportation roads, and the site preparation for smelting facilities as well. The mine is now capable of delivering up to 5 million tons of ore annual. The Company now focuses on construction of the smelting facilities.

GENERAL

The Board wishes to remind the Shareholders that there is no assurance that the Formal Agreement will be signed between the parties concerned. The Project may or may not constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) in relation to the Project, if such constitutes notifiable transaction, will be made by the Company as and when appropriate in compliance with the Listing Rules. The Board wishes to emphasize that since the MOU is not legally binding and the transaction under the MOU may or may not proceed, Shareholders and investors of the Company should exercise cautions when dealings in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“affiliate”	any individual, partnership, corporation, trust or other entity that directly or indirectly controls, or is controlled by, or is under common control with, such individual, partnership, corporation, trust or other entity, where control means the direct or indirect ownership of 10% or more of the outstanding shares or other ownership interests having ordinary voting power to elect directors or the equivalent
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	China Hanking Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EPC”	Engineering, procurement and construction
“EPC Agreement”	Engineering, procurement and construction agreement

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“New Company”	special purpose vehicle to be set up to hold the Project which will be owned by the Company
“POSCO”	POSCO E&C (CHINA) CO., LTD., a PRC company which has its registered principal office at Floor 32, Building A, POSCO Center Building, Hongtai East Street, Chaoyang District, Beijing, China 100102
“Project”	the Nickel Smelter Construction Project developed by Indonesia Hanking Makmur Nickel Smelting Co., Ltd
“RG”	RG Asset Management Corp., a Korean asset management company which has its registered principal office at 27, Yeouinaru-Ro Yeongdeungpo-Gu, Seoul, Korea
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the Company with a nominal value of HK\$0.10 each
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	US Dollar
“%”	per cent

By order of the Board
China Hanking Holdings Limited
Pan Guocheng
Chairman and Executive Director

Shenyang, the PRC, 8 April 2015

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