

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**INSIDE INFORMATION
ANTICIPATION OF SUBSTANTIAL DECREASE IN LOSS**

This announcement is made by China Hanking Holdings Limited (the “**Company**”, 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 and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on a preliminary assessment by the Company’s management on the unaudited consolidated management accounts of the Company, the board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that it is expected that the annual loss recorded by the Group for the year ended 31 December 2016 (the “**Current Year**”) would be decreased substantially as compared to that of the corresponding period of the previous year (the “**Previous Year**”), with the expected decrease in loss amounting to approximately 50%.

The expected substantial decrease in loss is mainly attributable to the following reasons: (1) the significant decrease in asset impairment provision; (2) the substantial increase in the output and sales volume of iron ore concentrates from Maogong Mine, the key low-cost mine, as a result of the technology improvement and production adjustment implemented by the Company on its iron ore business; and (3) the dramatic decrease in the administrative expenses and finance costs.

In 2017, benefiting from the rally in the price of iron ore concentrates¹ and continuous technology upgrading by the iron ore business, as well as the strategy of focusing on developing low-cost and good-quality key mines and reducing operation costs, the Board expects that the profit margin of the iron ore business of the Company will be constantly improved. Secondly, with the entering into of the cooperation agreement between PT. Konutara Sejati (a subsidiary of the Company) and PT. Maha Bhakti Abadi (a company incorporated in Indonesia with limited liability and also an independent third party), it is expected that the nickel business of the Company will resume production in the first half of 2017, so as to realize sales and cash flow. Dr. Pan Guocheng, the president and chief executive officer of the Group, said that: “the performance of the three core business segments of the Group for the Current Year is highly anticipated, and the trading activities in the iron ore market have further improved. With the strong demand for high-quality iron ore concentrates from the local iron factories driven by the more active iron ore market, the iron ore business will march towards a bright future. The positive change in the nickel metal market due to the more stringent control over the nickel ore production by the Philippine government will certainly yield positive impact on the production of our nickel business. In addition, the disposal of the gold business at a purchase price based on an agreed enterprise value of AUD330 million will contribute to the development of new projects. The above mentioned factors will no doubt improve the overall profitability of the Company.”

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 up to the date of this announcement, 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 2016 which is expected to be released in March 2017.

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 Jiye
Chairman and executive Director

Shenyang, the PRC, 3 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Yang Jiye, Dr. Pan Guocheng, Mr. Zheng Xuezhi, Dr. Qiu Yumin and Mr. Xia Zhuo; the non-executive director of the Company is Mr. Kenneth Jue Lee; and the independent non-executive directors of the Company are Mr. Wang Ping, Mr. Wang Anjian and Mr. Ma Qingshan.

¹ The average selling price of iron ore concentrates for 2016 was RMB453 per ton (the average selling price for the Previous Year was RMB458 per ton). The selling price of iron ore concentrates for January 2017 was RMB570 per ton, representing an increase of 25.83% comparing with the average selling price for 2016