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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)

**DISCLOSEABLE TRANSACTION –
DISPOSAL OF 100% EQUITY INTEREST IN XINGZHOU MINING**

The Board is pleased to announce that on 13 April 2017 (after trading hours), Aoniu Mining, a wholly-owned subsidiary of the Company, entered into the Equity Interest Transfer Agreement with the Purchaser to dispose of all its equity interest in Xingzhou Mining. The total consideration of the disposal is RMB360,000,000 with reference to the unaudited total assets of Xingzhou Mining as at 28 February 2017 and the Shareholder's Loan. Aoniu Mining will receive RMB360,000,000 as a result of the Disposal, including the recovery of the Shareholder's Loan at a sum of RMB340,000,000 and the equity consideration of RMB20,000,000.

Upon completion of the Disposal, Xingzhou Mining will cease to be a subsidiary of the Company and the financial results of Xingzhou Mining will not be consolidated into the accounts of the Company.

As the highest of the applicable percentage ratios (as defined under the Listing Rules) of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 13 April 2017 (after trading hours), Aoniu Mining, a wholly-owned subsidiary of the Company, entered into the Equity Interest Transfer Agreement with the Purchaser regarding the Disposal. Principal terms of the Equity Interest Transfer Agreement are set out below:

EQUITY INTEREST TRANSFER AGREEMENT

Date:

13 April 2017

Parties:

- (1) Aoniu Mining
- (2) The Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets being disposed of:

100% equity interest of Xingzhou Mining.

Consideration:

Pursuant to the Equity Interest Transfer Agreement, the total consideration is RMB360,000,000 which comprises (i) the consideration of the 100% equity interest of Xingzhou Mining of RMB20,000,000; and (ii) the repayment of the Shareholder's Loan to Aoniu Mining on behalf of Xingzhou Mining at a sum of RMB340,000,000.

The consideration of the 100% equity interest of Xingzhou Mining of RMB20,000,000, which shall be payable by the Purchaser to Aoniu Mining within 10 business days after the release of pledge on the mining right and equipment of Xingzhou Mining and the completion of registration of the change of mining right of Xingzhou Mine with the relevant authorities.

The repayment of the Shareholder's Loan at a sum of RMB340,000,000 shall be satisfied in the following manner:

- (a) RMB10,000,000, as deposit (the "**Deposit**"), shall be payable by the Purchaser within 3 business days after the signing of Equity Interest Transfer Agreement;
- (b) RMB220,000,000, as second payment (the "**Second Payment**"), shall be subject to the approval of the board of directors of the vendor and payable within 10 business days after the Purchaser having received a notice from Aoniu Mining;
- (c) RMB100,000,000 shall be payable by the Purchaser within 10 business days after completion of registration of the change of shareholding of Xingzhou Mining with the relevant authorities;

- (d) RMB10,000,000 shall be payable by the Purchaser after the release of pledge of the equity interest, mining right and equipments of Xingzhou Mining and within 10 business days after the completion of registration of the change of mining right of Xingzhou Mine with the relevant authorities.

If the Purchaser fails to pay as scheduled the Second Payment, Aoni Mining shall be entitled to rescind the Equity Interest Transfer Agreement and confiscate the Deposit as agreed liquidated damages.

Basis of the consideration

The consideration for the Disposal was determined among Aoni Mining and the Purchaser after arm's length negotiations with reference to, among other things, the unaudited total assets of Xingzhou Mining of approximately RMB350 million as at 28 February 2017, the unaudited net asset value of Xingzhou Mining of approximately RMB10.20 million as at 28 February 2017 and the factors set out in the section headed "Reasons for the Disposal" in this announcement.

Completion:

Upon completion of the Disposal, Xingzhou Mining will cease to be a subsidiary of the Company and the financial results of Xingzhou Mining will not be consolidated into the accounts of the Company.

INFORMATION OF THE GROUP, AONI MINING, XINGZHOU MINING AND THE PURCHASER

The Group as an international mining company, has three major business segments (covering iron ore, gold and nickel ore) located in the PRC, Australia and Indonesia, respectively, and engaged in mineral exploration, mining, processing, smelting and product marketing.

Aoni Mining is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Aoni Mining is principally engaged in the exploration, mining, processing and sale of iron ore concentrates.

The Purchaser is a limited liability company established in the PRC and is ultimately owned by individual shareholders. The Purchaser is principally engaged in mining engineering, metal mineral products and sales of parts of mining equipments. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Xingzhou Mining is a limited liability company established in the PRC with a registered capital of RMB30 million and an indirect wholly-owned subsidiary of the Company. Xingzhou Mining is principally engaged in mining and processing of iron ore concentrates. Xingzhou Mining operates the Xingzhou Mine and possesses mining licenses covering areas totaling 0.94 square kilometers, and has

extensive infrastructures including paved roads, water, electricity supplies and has two processing plants with an annual iron ore processing capacity of 1.5 million metric tons. Due to the declined sale price of iron ore concentrates, production at the iron ore mine has been suspended since April 2014.

Based on the unaudited financial statements of Xingzhou Mining made up to 28 February 2017, the unaudited net asset value of Xingzhou Mining as at 28 February 2017 was approximately RMB10.20 million.

Set out below is the financial results of Xingzhou Mining for the years ended 31 December 2015 and 2016:

	For the year ended 31 December 2015	For the year ended 31 December 2016
	(Unaudited)	(Unaudited)
	<i>RMB million</i>	<i>RMB million</i>
	<i>(approximately)</i>	<i>(approximately)</i>
Net (loss)/profit before taxation	(141.08)	(76.45)
Net (loss)/profit after taxation	(141.08)	(76.45)

FINANCIAL IMPACT OF THE DISPOSAL

It is expected that the Company will record a book gain of approximately RMB9.80 million as a result of the Disposal, which represents the difference between (i) the consideration for the equity interest of Xingzhou Mining of RMB20 million; and (ii) the net asset value of Xingzhou Mining of approximately RMB10.20 million as at 31 December 2016.

Upon completion of the Disposal, Xingzhou Mining will cease to be a subsidiary of the Company and the financial results of Xingzhou Mining will not be consolidated into the accounts of the Company.

The proceeds of the Disposal will be utilized as working capital of the Group.

REASONS FOR THE DISPOSAL

Due to the decline in selling price of iron ore concentrates, Xingzhou Mining had incurred loss since 2013 and has suspended its iron ore concentrates since April 2014. The management of the Group considers that the Disposal will help to revitalize the Company's existing assets and reduce the negative impact on its profitability. The management of the Group believes that the Disposal does not have any adverse impact on the operations of the Group as the Group will retain its interest in other subsidiaries which are engaged in the mining and processing of iron ore concentrates in the PRC with higher profit margin.

In view of the above, the Directors consider that the terms and conditions of the Equity Interest Transfer Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios (as defined under the Listing Rules) of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Aoniu Mining”	Fushun Hanking Aoniu Mining Limited* (撫順罕王傲牛礦業股份有限公司), which is more particularly described in the section headed “Information of the Group, Aoniu Mining, Xingzhou Mining and the Purchaser” of this announcement
“Board”	the board of directors of the Company
“Company”	China Hanking Holdings Limited (中國罕王控股有限公司), a company incorporated in the Cayman Islands with limited liability on 2 August 2010 and whose shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the 100% equity interest in Xingzhou Mining pursuant to the Equity Interest Transfer Agreement
“Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 13 April 2017 entered into between Aoniu Mining and the Purchaser relating to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party which is independent of and not connected with the Company and its connected person and not a connected person of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Fushun Zongchuan Mining Development Co., Ltd* (撫順宗傳礦業發展有限公司), a company incorporated in the PRC with limited liability, which is more particularly described in the section headed “Information of the Group, Aoniu Mining, Xingzhou Mining and the Purchaser” of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) of the Company
“Shareholder’s Loan”	the shareholder’s loan due from Xingzhou Mining to Aoniu Mining in the sum of RMB340,000,000
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xingzhou Mine”	located at Dongzhou District, Fushun City, an iron mine operated through Xingzhou Mining
“Xingzhou Mining”	Fushun Hanking Xingzhou Mining Limited (撫順罕王興洲礦業有限公司), which is more particularly described in the section headed “Information of the Group, Aoniu Mining, Xingzhou Mining and the Purchaser” of this announcement
“%”	per cent.

By order of the Board
China Hanking Holdings Limited
Yang Jiye
Chairman and Executive Director

Shenyang, the PRC, 13 April 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.

* For identification purpose only