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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in China Hanking Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker, other agent or other licensed securities dealer through whom the sale was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED GRANT OF SHARE OPTIONS UNDER
THE SUBSIDIARY SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 7 of this circular. A notice convening the EGM to be held at Conference Room, 22nd Floor, Hanking Tower, No. 227, Qingnian Street, Shenhe District, Shenyang City, Liaoning Province, the PRC on Wednesday, 12 October 2022 at 9:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Company (www.hankingmining.com) and of the Stock Exchange (www.hkexnews.hk).

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM (i.e. at or before 9:00 a.m. on Monday, 10 October 2022 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

20 September 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“AUD”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors of the Company
“Business Day”	any day (other than Saturdays, Sunday and statutory holidays) on which licensed banks in PRC are open for business
“Company”	China Hanking Holdings Limited (中國罕王控股有限公司), an exempted company incorporated on 2 August 2010 with limited liability under the laws of the Cayman Islands, whose shares are listed on the main board of the Stock Exchange
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Date of Proposed Grant”	29 August 2022, being the date on which the Proposed Grant was conditionally approved by the Board
“Director(s)”	director(s) of the Company
“Dr. Qiu”	Dr. Qiu Yumin (邱玉民博士), an executive Director and vice president of the Company and the director, chief executive officer and president of Hanking Australia
“EGM”	the extraordinary general meeting of the Company to be held at Conference Room, 22nd Floor, Hanking Tower, No. 227, Qingnian Street, Shenhe District, Shenyang City, Liaoning Province, the PRC on Wednesday, 12 October 2022 at 9:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages EGM-1 to EGM-2 of this circular, or any adjournment thereof
“grantee”	any participant who accepts the offer of the grant of any Share Option(s) in accordance with the terms of the Subsidiary Share Option Scheme or (where the context so permits) a person entitled to any such Share Option(s) in consequence of the death of the original grantee or the legal representative of such person
“Group”	the Company and its subsidiaries

DEFINITIONS

“HAI Shares”	shares in the capital of Hanking Australia
“Hanking Australia”	Hanking Australia Investment Pty Ltd, a company incorporated in Australia with limited liability and a direct non wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders, other than those which are required to abstain from voting at the EGM approving the transactions contemplated thereunder pursuant to the Listing Rules
“Latest Practicable Date”	15 September 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Grant”	the conditional grant of Share Option(s) to subscribe for an aggregate of up to 4,200,000 HAI Shares under the Subsidiary Share Option Scheme to Dr. Qiu
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Option(s)”	share option(s) to subscribe for HAI Shares granted pursuant to the Subsidiary Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Share Option Scheme”	the share option scheme of Hanking Australia approved by the Shareholders on 25 January 2019
“substantial shareholder”	has the meaning ascribed to such term under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD



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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)

Executive Directors:

Mr. Yang Jiye
Mr. Zheng Xuezhong
Dr. Qiu Yumin

Non-executive Directors:

Mr. Kenneth Lee
Mr. Xia Zhuo

Independent Non-executive Directors:

Mr. Wang Ping
Dr. Wang Anjian
Mr. Ma Qingshan

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Headquarters in the PRC:

22nd Floor, Hanking Tower
No. 227, Qingnian Street
Shenhe District
Shenyang 110016
Liaoning Province
PRC

Principal Place of Business in Hong Kong:

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

20 September 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF SHARE OPTIONS UNDER
THE SUBSIDIARY SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with information in respect of (i) the Proposed Grant of Share Options under the Subsidiary Share Option Scheme; and (ii) the notice of the EGM.

LETTER FROM THE BOARD

II. PROPOSED GRANT OF SHARE OPTIONS UNDER THE SUBSIDIARY SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 29 August 2022 in relation to, among others, the grant of Share Options to Dr. Qiu. On 29 August 2022, Hanking Australia has conditionally granted to Dr. Qiu, who is an executive Director and vice president of the Company and the director, chief executive officer and president of Hanking Australia a total of 4,200,000 Share Options under the Subsidiary Share Option Scheme. Subject to the acceptance of the Share Options by Dr. Qiu and upon fully exercise of all such Share Options, the Share Options will entitle Dr. Qiu to subscribe for an aggregate of 4,200,000 HAI Shares at the exercise price per Share Option set out below (subject to adjustments under the terms of the Subsidiary Share Option Scheme in accordance with Rule 17.03(13) of the Listing Rules). As at the Latest Practicable Date, the Share Options under the Proposed Grant upon being fully exercised represent 2% of the issued HAI Shares.

Details of the Proposed Grant are as follows:

Date of Proposed Grant	:	29 August 2022
Exercise price of the Share Options	:	AUD0.2 per HAI Share which was determined in accordance with the recommendation of the independent tax adviser, the fair market price and the performance of the staff (for further details, please refer to the paragraph headed “Basis of determination of the exercise price of the Share Options under the Proposed Grant” below).
		The HAI Shares are not listed on any stock exchange.
Consideration for the grant of the Share Options	:	Nil
Number of Share Options granted	:	4,200,000 Share Options. Each Share Option shall entitle the holder thereof to subscribe for one HAI Share.
Validity period of the Share Options	:	From the date upon obtaining the Independent Shareholders’ approval at the EGM to 28 August 2032 (both dates inclusive).
Vesting conditions and exercise period of the Share Options	:	The Share Options will be fully vested from the date upon obtaining the Independent Shareholders’ approval at the EGM and will be exercisable from then and up to 28 August 2026 (both dates inclusive).

LETTER FROM THE BOARD

As confirmed by the Directors, notwithstanding that the validity period of the Share Option is 10 years, which is the longest period allowed under the Subsidiary Share Option Scheme and which is longer than the exercise period of the Share Options under the Proposed Grant, if any Share Option(s) is/are not exercised within the exercise period set out above, such Share Option(s) will lapse immediately upon expiry of such exercise period.

Performance target : No performance target is required for the exercise of the Share Options granted to Dr. Qiu under the Proposed Grant.

The Proposed Grant of the Share Options to Dr. Qiu is subject to obtaining the Independent Shareholders' approval at the EGM.

The HAI Shares to be allotted and issued upon exercise of the Share Options will be subject to the articles of association of Hanking Australia and will rank *pari passu* among themselves and with the fully-paid HAI Shares in issue as from the date of allotment, including voting rights, entitlement to dividends, transfer and other rights (including those arising on liquidation of Hanking Australia). The Share Options themselves, however, do not carry any right to voting, dividend, transfer or other rights (including those arising on the liquidation of Hanking Australia) prior to them being exercised and the underlying HAI Shares being issued.

Basis of determination of the exercise price of the Share Options under the Proposed Grant

The Directors considered the independent tax advisers' recommendation on the tax implication of the Proposed Grant, the fair market value of the Share Options and the performance and contributions of Dr. Qiu when determining the exercise price of the Share Options under the Proposed Grant.

Since Hanking Australia is a private company, the Directors adopted the net asset value of Hanking Australia as at 31 December 2021 as reference for the fair market value of HAI Shares. Based on the net asset value of Hanking Australia of approximately AUD40.5 million as at 31 December 2021, the net asset value per HAI Share is approximately AUD0.19 per share, which is at similar level to the exercise price of the Share Options under the Proposed Grant.

The Directors also took the performance and contribution of the grantees into consideration when determining the exercise price of the Share Options. For instance, regarding the grant of Share Options in July 2022 where the grantees were mainly technical and management staff of Hanking Australia, the Directors set the exercise price of the Share Options (i.e. AUD0.429 per HAI Share) with a relatively higher premium on top of the net asset value per HAI Share, to provide long term incentive to the relevant grantees to contribute and create value to Hanking Australia. On the other hand, with respect to the Proposed Grant, taking into account that Dr. Qiu had served the Group for over 10 years and had contributed to the significant growth of Hanking Australia (for further details,

LETTER FROM THE BOARD

please refer to the paragraph headed “III. Reasons for the Proposed Grant” below), the Directors decided to take the Proposed Grant as an opportunity to recognise Dr. Qiu’s long term contribution and support to the Group, and set the exercise price at a similar level to the net asset value per HAI Share as a token of appreciation.

III. REASONS FOR THE PROPOSED GRANT

The Subsidiary Share Option Scheme was adopted in December 2018 to provide the grantees of the Subsidiary Share Option Scheme with the opportunity to acquire proprietary interests in Hanking Australia, which will encourage the grantees to work towards enhancing the values of Hanking Australia and in turn benefiting the Company and its Shareholders as a whole.

Dr. Qiu has joined the Group since 2011. He is currently an executive Director and vice president of the Company and the director, chief executive officer and president of Hanking Australia, and has over 25 years of experience in exploration business and development and is a member of the Australia Institute of Geoscientists. Dr. Qiu has been responsible for the daily operation management and investment of the Group’s business in Australia, and has been critical to the success of the gold mine projects of Hanking Australia.

Dr. Qiu has been serving as the director and president of Hanking Australia since its incorporation in 2016. Under the management of Dr. Qiu, the financial performance of Hanking Australia had recorded substantial improvement over the years, from recording net loss in 2016 to recording net profit of approximately AUD5.0 million in 2021. Dr. Qiu also took lead in the acquisition of Primary Gold Limited in 2018, which held the Coolgardie Gold Project in Western Australia and Mt Bundy Gold Project in Northern Territory in Australia. Upon conducting the development and exploration of the Coolgardie Gold Project after the acquisition, the Group sold the gold project in August 2021 and recorded a gain on disposal of approximately AUD7.7 million. With respect to the Mt Bundy Gold Project, (i) a 67% increase in gold resources of the project to over 3 million ounces, as compared to that at the time of acquisition, was recorded following extensive exploration of the project; and (ii) there has been steady progress of the development of the project, e.g. the environmental assessment report has been publicized in the first half of 2022, and other preparations for the mine development, such as mineral processing tests, tailings pond design and definitive feasibility study, have been on-going.

In light of the above, as a token of appreciation to recognise the significant efforts and contribution to the development of Hanking Australia by Dr. Qiu, the Directors proposed to grant the Share Options under the Proposed Grant to Dr. Qiu. As at the Latest Practicable Date, Dr. Qiu held 3.0% of the issued shares of Hanking Australia and no Share Option has been granted to Dr. Qiu since the adoption of the Subsidiary Share Option Scheme. The Board considers that the Proposed Grant would further incentivize Dr. Qiu to continue to serve as a key figure in Hanking Australia and strive for the further development of its gold mine projects and business operation.

IV. LISTING RULES IMPLICATION

Pursuant to Rule 17.03(4) of the Listing Rules, where any grant of options to a participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including

LETTER FROM THE BOARD

the date of such grant representing in aggregate over 1% of the shares in issue, such grant of options must be separately approved by shareholders of the listed issuer in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

Other than the Proposed Grant, no Share Option has been granted to Dr. Qiu within the 12-month period prior to the date of the Proposed Grant.

Given that the total number of HAI Shares to be issued upon fully exercise of the Share Options to be granted to Dr. Qiu in a 12-month period represents 2%, which exceeds 1% of the HAI Shares in issue, pursuant to the Listing Rules, the Proposed Grant of the Share Options to Dr. Qiu is conditional upon the approval by the Shareholders at the EGM. As at the Latest Practicable Date, Dr. Qiu held 6,300,000 HAI Shares (representing 3.0% of the issued shares of Hanking Australia), and will be holding a total of 10,500,000 HAI Shares upon exercise of the Share Options under the Proposed Grant in full (representing approximately 4.9% of the issued shares of Hanking Australia as enlarged by the issue of the HAI Shares pursuant to the exercise of all Share Options under the Proposed Grant). In the event all the Share Options under the Proposed Grant are fully exercised, the issued shares of Hanking Australia would increase from 210,000,000 HAI Shares to 214,200,000 HAI Shares, and the shareholding of the Group in Hanking Australia would decrease from 94.0% (as at the Latest Practicable Date) to approximately 92.2%. In the event all the Share Options granted by Hanking Australia so far are fully exercised (comprising the 4,200,000 Share Options under the Proposed Grant and the aggregate of 7,050,000 Share Options granted previously), the issued shares of Hanking Australia would further increase to 221,250,000 HAI Shares, and the shareholding of the Group in Hanking Australia would further decrease to approximately 89.2%.

Dr. Qiu, being an executive Director and vice president of the Company, has abstained from voting on the Board resolutions for considering and approving the Proposed Grant. Save for the aforesaid, none of the Directors have a material interest in the Board resolutions approving the Proposed Grant. The Proposed Grant has been approved by the independent non-executive Directors in compliance with Rule 17.04(1) of the Listing Rules.

Under the Subsidiary Share Option Scheme, Hanking Australia may grant Share Options to eligible participants to subscribe a maximum of 21,000,000 HAI Shares, being 10% of the HAI Shares in issue as at the date of adoption of the Subsidiary Share Option Scheme. As at the Latest Practicable Date, the Share Options (including the Share Options under the Proposed Grant) were exercisable for up to 11,250,000 HAI Shares. As at the Latest Practicable Date, none of these Share Options have lapsed, have been cancelled or exercised. The Company has sufficient unissued scheme mandate for the Proposed Grant.

V. NOTICE OF THE EGM

Notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular, at which, among others, an ordinary resolution will be proposed to Shareholders to consider and approve the Proposed Grant pursuant to the Subsidiary Share Option Scheme. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Proposed Grant pursuant to the Subsidiary Share Option Scheme.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, all the proposed resolution(s) will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

VI. FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such form of proxy is also published on the websites of the Company at www.hankingmining.com and the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the EGM (i.e. at or before 9:00 a.m. on Monday, 10 October 2022 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the EGM if they so wish.

VII. RESPONSIBILITY STATEMENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this circular misleading.

VIII. GENERAL INFORMATION

In the event of inconsistency, the English texts of this circular and the enclosed form of proxy shall prevail over the Chinese texts.

IX. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the Proposed Grant herein are fair and reasonable and in the best interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of the resolution proposed at the EGM.

Yours faithfully
For and on behalf of the Board
China Hanking Holdings Limited
Yang Jiye
Chairman and executive Director

NOTICE OF EGM



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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of China Hanking Holdings Limited (the “**Company**”) will be held at Conference Room, 22nd Floor, Hanking Tower, No. 227, Qingnian Street, Shenhe District, Shenyang City, Liaoning Province, the PRC on Wednesday, 12 October 2022 at 9:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution (with or without modifications). Unless indicated otherwise, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 20 September 2022.

ORDINARY RESOLUTION

1. “**THAT** the grant of 4,200,000 share options under the share option scheme of Hanking Australia Investment Pty Ltd (“**Hanking Australia**”) adopted by a resolution of the shareholders of the Company dated 25 January 2019 to Dr. Qiu Yumin to subscribe for 4,200,000 shares of Hanking Australia be and is hereby approved.”

By order of the Board

China Hanking Holdings Limited

Yang Jiye

Chairman and executive Director

Shenyang, the PRC, 20 September 2022

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

NOTICE OF EGM

Notes:

- (1) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a Shareholder.
- (2) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, a form of proxy must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. at or before 9:00 a.m. on Monday, 10 October 2022 (Hong Kong time)) or any adjournment thereof. The completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (4) The transfer books and register of members of the Company will be closed from Friday, 7 October 2022 to Wednesday, 12 October 2022, both days inclusive, in order to determine the entitlement of Shareholders to attend the above meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 6 October 2022.

As at the date of this notice, the executive Directors are Mr. Yang Jiye, Mr. Zheng Xuezhong and Dr. Qiu Yumin; the non-executive Directors are Mr. Kenneth Lee and Mr. Xia Zhuo; and the independent non-executive Directors are Mr. Wang Ping, Dr. Wang Anjian and Mr. Ma Qingshan.