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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)

INSIDE INFORMATION

COMMENCEMENT OF PRODUCTION OF THE GOLD MINE OWNED BY HANKING IN AUSTRALIA

This announcement is made by China Hanking Holdings Limited (the “**Company**” or “**Hanking**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) is pleased to announce that Hanking Gold Mining Pty Ltd (“**Hanking Gold**”), a wholly-owned subsidiary of the Company, has recently completed a feasibility study on production planning for the Phase One of the Group’s Southern Cross Operation Gold Project in Western Australia (the “**SXO Gold Project**”) and it is expected that production will commence in August 2014.

Hanking Gold has engaged Entech Pty Limited, Como Engineering Pty Ltd and CSA GLOBLE Pty Ltd, all being well-respected gold mine consulting firms in Australia, to formulate the development plan for the Phase One of the SXO Gold Project (the “**Development Plan**”). Pursuant to the Development Plan, Hanking Gold will successively develop its four open pit mines, i.e. Cornishman, Nevoria, Aqurious and Frasers South. The gold ores from open cut mining will be transported through the transportation roads owned by Hanking Gold to its own processing plant located in the centre of Marvel Loch. After comprehensive processing procedures comprising crushing, grinding and use of gravity processing or carbon in pulp methods, the ores will be processed into gold ingots in the gold refinery of Hanking Gold for sale. Currently, Hanking Gold has obtained the relevant approvals from the Australian government. The amount of investment in the Phase One of the SXO Gold Project would be approximately AUD30 million, which will be used mainly for infrastructural stripping and

processing plant restoration. The relevant preparation work, such as mobilization of equipments and restoration of the processing plant, is in progress. Stripping and processing processes are scheduled to commence in late August 2014 and November 2014 respectively. The Board anticipates that the gold output of Hanking Gold will reach approximately 60,000 ounces (about 2 tonnes) in 2015.

Dr. Pan Guocheng, executive director, President and chief executive officer of the Company, said, “The development of the Phase One of SXO Gold Project by Hanking Gold marks a substantial step taken by Hanking towards international and multi-mineral operations, which will help Hanking to hedge the exposure of price fluctuation of single mineral. Within 15 months after acquisition of the SXO Gold Project, the total resource base was expanded by new discoveries through exploration and some existing inferred gold resources was upgraded to the indicated category (as detailed in the announcement of the Company dated 11 March 2014). Meanwhile, the Company has finished the feasibility study on the development of the gold project and formulated detailed implementation plan, which demonstrates the capability of the management team of the Company in carrying out international and multi-mineral operations”.

Dr. Qiu Yumin, executive director of the Company and President of Hanking Gold, pointed out: “Since the cost-effective acquisition of the SXO Gold Project last year, and according to the local talent strategy of the Group, Hanking Gold has set up a dedicated operation team for the gold project comprised of experienced and skillful talents, of which the core management and technical staff have over 15-20 years of experience in operating similar gold companies in Australia. The main contracts for the Phase One of the SXO Gold Project have been finalized through public tender, laying a solid foundation for cost control that ensures commencement of production as scheduled. The gold project operation team of the Group is confident in developing Hanking Gold into a low-cost competitive gold mining company.”

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

Shenyang, the PRC, 28 July 2014

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