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)

Interim Results Announcement for the Six Months ended 30 June 2015

MAJOR OPERATION RESULTS

1. The SXO Gold Project of the Group commenced to produce gold in the beginning of 2015. As of 30 June 2015, the amount of gold produced from the SXO Gold Project accumulated to 11,290 ounces, with sales of gold amounting to 10,183 ounces at an average sales price of AUD1,527/ounce.

2. The resources and reserves of the SXO Gold Project recorded significant increase. As of the end of June 2015, the JORC Code-compliant resources of the SXO Gold Project amounted to 25,055,000 metric tons with an average grade of 3.7 g/t containing 3 million ounces of gold. Optimized design and feasibility study have been conducted on open-pit mining based on the exploration results, and as of the end of June 2015, the JORC Code-compliant reserves amounted to 6,319,000 metric tons with an average grade of 2.9 g/t containing 592,000 ounces of gold, representing an increase of 62.6% since the end of 2014, laying a solid foundation for the accelerated development of the SXO Gold Project.

3. Through capacity expansion and technology improvement, the Group has achieved continuing growth in the output of iron ore concentrates, which amounted to 964,500 metric tons in the first half of 2015 (the first half of 2014: 921,500 metric tons), representing a year-on-year increase of 4.67% and exceeded the production target for the first half of the year.

4. With significant decrease in production costs of iron ore concentrates, the Group maintained the advantage of low-cost operation for the iron ore business. As of 30 June 2015, the cash operation cost of iron ore concentrates amounted to RMB291 per metric ton, representing a decrease of RMB96.98 or 24.99% from that of the corresponding period of last year.

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2015:

- The revenue of the Company amounted to RMB471,159,000, representing a decrease of RMB261,966,000 or 35.7% as compared to the corresponding period of last year;
- The loss for the period attributable to owners of the Company was RMB112,323,000, as compared to a profit of RMB50,875,000 for the corresponding period of last year; and
- EBITDA was RMB79,621,000, representing a decrease of RMB156,278,000 or 66.2% as compared to the corresponding period of last year; the profit margin of EBITDA was 16.9% (the corresponding period of last year: 32.6%).

The Board of China Hanking Holdings Limited hereby announced the unaudited consolidated results of the Group for the six months ended 30 June 2015 (the "**2015 Interim Results**"). The 2015 Interim Results has been reviewed by the audit committee of the Company (the "**Audit Committee**") and Deloitte Touche Tohmatsu, the auditor of the Company, and has been approved by the Board on 28 August 2015.

OPERATION REVIEW

Iron Ore Business

In the first half of 2015, affected by the international market and the structural adjustment of the domestic economy, the growth in the gross domestic product and fixed asset investments experienced a gradual slow-down. The domestic output of pig iron for the first half of the year decreased by 2.3% on a year-on-year basis to 357 million metric tons. Coupled with the increase in production of the major international iron ore producers, the price of iron ore slumped further over the first half of 2015. For the first half of 2015, the average sales price of iron ore concentrates produced by the Group was RMB488/metric ton (first half of 2014: RMB763/metric ton), representing a year-on-year decrease of approximately 36.1%.

For the six months ended 30 June 2015, the revenue of iron ore business of the Group was RMB471,159,000, representing a year-on-year decrease of 35.7%, mainly due to the increase in sales amount of iron ore concentrates by 25,130 metric tons or 2.68%, which was offset by the decline of its average sales price by RMB275/metric ton or 36.1%[1]. EBITDA was RMB107,042,000, decreased by RMB183,009,000 from that of the corresponding period of last year, mainly due to the decrease in sales price per metric ton of iron ore concentrate. The profit margin of EBITDA was 22.7%, down by 18 percentage points as compared with that of the corresponding period of last year. The total capital expenditure amounted to RMB203,658,000, representing a year-on-year increase of 100.2%.

1 The average sales price of iron ore concentrates for the first six months of 2014 amounted to RMB763 per metric ton, while the average sales price for the corresponding period of 2015 was RMB488 per metric ton.

1. *Stable growth in the production and sales amount of iron ore concentrates*

Benefitting from the continuing technical innovations and the Company's iron ore processing capacity of 10,000,000 metric tons, the iron ore concentrates production increased steadily in the first half of 2015, and amounted to 964,500 metric tons, an increase of 4.67% from that of the corresponding period of last year. Despite of the domestic iron ore industry being in a downturn and benefited from quality improvement of iron ore concentrates, the sales volume of iron ore concentrates produced by the Company recorded steady growth with a year-on-year increase of 2.68% to 964,400 metric tons.

Breakdown of the production and sales of iron ore concentrates

	Production of iron ore concentrates (metric ton)			**Sales of iron ore concentrates (metric ton)**		
Mines	**First half of 2015**	First half of 2014	Changes	**First half of 2015**	First half of 2014	Changes
Maogong Mine	**219,090**	136,853	60.09%	**215,904**	143,134	50.84%
Aoniu Mine	**593,286**	482,316	23.01%	**588,358**	496,440	18.52%
Benxi Mine	**115,418**	135,809	-15.01%	**122,836**	144,105	-14.76%
Xingzhou Mine[2]	**–**	72,464	-100.00%	**–**	58,802	-100.00%
Shangma Mine[3]	**36,722**	94,075	-60.97%	**37,340**	96,827	-61.44%
Total	**964,516**	921,517	4.67%	**964,438**	939,308	2.68%

2. *Maintaining the advantage of low-cost operations of the iron ore business*

As at 30 June 2015, the cash operation cost of iron ore concentrates was RMB291/ton, representing a decrease of RMB96.98 or 24.99% as compared to the corresponding period of last year.

[2] The Company launched the overall project planning for the mining and processing of Xingzhou Mine, and production at Xingzhou Mine was suspended since the second half of 2014. This project planning will also be the priority task for Xingzhou Mine and the Group in 2015.

[3] During the first half of 2015, due to the shortage in iron ore supply, only Yanghu Processing Plant of Shangma Mine was in operation, while production at Shangma Processing Plant was temporarily suspended. The underground mining development works of Shangma Mine will also be the priority task for Shangma Mine and the Group in 2015.

The breakdown of cash operation costs is set out as below:

	For the six months ended 30 June		
	2015	2014	Changes
Mining (RMB/metric ton)	**117.25**	158.96	–26.24%
Processing (RMB/metric ton)	**95.93**	116.40	–17.59%
Freights (RMB/metric ton)	**17.70**	21.30	–16.90%
Tax (RMB/metric ton)	**38.62**	58.37	–33.84%
Others (RMB/metric ton)	**21.52**	32.97	–34.73%
Total (RMB/metric ton)	**291.02**	388.00	–24.99%

The decrease in cash operation cost was mainly attributable to:

1. the decrease in the contract price for the underground mining and development works. Through negotiation with the contractors, the unit price for the underground mining and development works was down by 7.82% and 21.97% respectively as compared with the corresponding period of last year for Aoniu Mine, and by 7.61% and 27.37% respectively for Benxi Mine. The unit price of underground development works at Shangma Mine was down by 12.33% as compared with last year.

2. reduced workforce and improved efficiency. Efforts were made at each mine sites to streamline workforce structure and adjust roles and responsibilities, so as to reduce workforce without interrupting production or lowering efficiency. The policy of unpaid leave of absence was adopted for the employees of the mines where production was suspended. As at 30 June 2015, the iron ore business had a total of 1,900 employees, representing a year-on-year decrease of 17.03%. During the first half of 2015, measures were taken to link individual performance with the operating results of the Company, such as refining the performance assessment and adding grade of the products, recovery rate and other technical indicators into performance assessment, so as to effectively arouse the proactiveness of the employees, achieving the goal of reducing workforce but improving efficiency.

3. optimization of production system. In the second half of 2014, the Company adjusted its production layout on the principle of "efficiency first", which effectively improved the production output structure. Through technical innovations, energy consumption was reduced and the grades of iron ore concentrates for Aoniu Mine, Maogong Mine and Shangma Mine were improved from 66% to 69%. According to the contracts with our clients, unit sales price of iron ore concentrates will increase by RMB8 per metric ton with an increase of one percentage point in its grade. Therefore, profit for iron ore concentrates per metric ton was significantly improved while product costs were reduced.

3. Major mine development projects as scheduled

Base on the adjusted production layout and production planning, strict project timelines have been followed for the major mine development projects of the iron ore business. Progress of the major projects are as follows for the first half of 2015:

1. 3 million metric tons per annum underground mining project of Maogong Mine

In respect of the underground mining project of Maogong Mine with a mining capacity of 3 million metric tons per annum, shaft and decline development work has been completed, and drift development and mining preparation are currently under way. The estimated total investment for the project is RMB330,000,000, and the actual investment of RMB77,198,000 has been made for the six months ended 30 June 2015, with an accumulated investment of RMB89,887,000.

2. Underground mining project of No.3 mining area of Aoniu Mine

As of the end of 2014, the main components of underground mining establishment/ development works were completed, and underground mining above the 315 meters level officially commenced. As of the end of June 2015, the inspection and acceptance procedures for works below the 315 meters level have been completed and approved, and mining may start below the 320 meters level. The estimated total investment is RMB84,678,000. During the six months ended 30 June 2015, RMB14,417,000 has been actually invested, with an accumulated investment of RMB89,307,000.

3. Underground mining project of Yanghu Beishan mining area of Shangma Mine

During the first half of 2015, main cross cut and part of the transportation adit at the 158 meters level, the exploration adits along Traverses 15 and 11, and construction of the sump and pump house at the 108 meters level were completed. The estimated total investment is RMB23,000,000. During the six months ended 30 June 2015, RMB3,642,000 has been actually invested, with an accumulated investment of RMB11,519,000.

Gold Business

During the first half of 2015, the international gold spot market opened at USD1,184.37/ounce and closed at USD1,172.35/ounce, with a slight decrease of 1.01%. The highest and lowest gold prices recorded during the period were USD1,307.62/ounce and USD1,142.92/ounce respectively, fluctuating within a range of USD164.7. The gold price was on an upward track in the first quarter, and correcting at a lower level in the second quarter.

As the Company's gold business is located in Australia and most of the cost incurred was paid in Australian dollars, the gold price denominated in AUD is in closer correlation with the operating results of the Company. During the first half of 2015, the international gold spot market opened at AUD1,449.87/ounce and closed at AUD1,521.4/ounce, with an increase of 4.93%. The highest and lowest gold prices recorded during the period were AUD1,652.29/ounce and AUD1,444.46/ounce respectively, fluctuating within a range of AUD207.83. The gold price denominated in AUD appears to be in a better position.

1. *Production review*

The Company accomplished the acquisition of the SXO Gold Project in Australia in 2013. Through exploration activities, resource maintenance and team building by the management team during 2014, the SXO Gold Project realized sale of gold dore on 27 February 2015. As of 30 June 2015, the amount of gold produced from the SXO Gold Project accumulated to 11,290 ounces, and 10,183 ounces of gold were sold at an average price of AUD1,527/ounce, with sale revenue amounting to RMB75,732,000. As the SXO Gold Project has not entered into the commercial production phase, the relevant income and net costs will be capitalized until project expenditures are transferred to fixed assets.

For the six months ended 30 June 2015, the EBITDA of the gold business was RMB-8,059,000, and the capital expenditure amounted to RMB132,186,000 (the first half of 2014: RMB11,524,000), among which, investment in engineering and equipment was RMB186,384,000 and exploration investment was RMB4,969,000.

The SXO Gold Project owned 239 tenements. After the acquisition, according to the Company's established strategy of "low investments and quick returns", the management team of the SXO Gold Project conducted feasibility study based on the optimized design of mining and processing. As of 30 June 2015, two gold mines of the SXO Gold Project, namely Cornishman and Nevoria, were already in operation. Open-pit mining at Cornishman commenced in August 2014, while underground mining at Nevoria commenced in December 2014. As of 30 June 2015, a total of 3,609,727 cubic meters of waste rocks were stripped and 67,648 cubic meters of ores were excavated at Cornishman. In respect of Nevoria, the project completed 1,554 meters drift development and mined 41,900 tons of ores.

Based on the feasibility study, all gold ores mined from the SXO Gold Project will be processed at the Marvel Lorch Central Processing Plant of Hanking Gold (the "**Processing Plant**"). After the overhaul of the Processing Plant in 2014, the Company upgraded the following major equipments of the Processing Plant in accordance with the actual production situation during the first half of 2015:

- The leaching tank of the Processing Plant was upgraded and new cyclone was installed, further improving the operating efficiency and productivity of the Processing Plant;

- Automatic sampling devices were purchased and installed, improving the efficiency and quality of sample collection.

After equipment upgrading of the Processing Plant, production efficiency was further improved. As of 30 June 2015, a total of 263,318 metric tons (dry basis) of ores were processed by the Processing Plant, with a gold output of 11,290 ounces.

Furthermore, the construction project to raise and expand capacity of the tailings dam of the Processing Plant commenced in April 2015. The current capacity of the tailings dam of the Processing Plant only allows for one year of production, while after the completion of the project the tailings dam will accommodate about 5 years of production.

2. *Substantial increase in resources and reserves*

Exploration drilling activities at Axehandle were completed by Hanking Gold at the beginning of 2015, with 85 drilling holes of an aggregate of 11,460 meters drilled. CSA Global Pty Ltd, an independent Australian technology consulting firm, was engaged by Hanking Gold to carry out resources estimation based on the data from the 200 drilling holes previously drilled. According to their report, the JORC Code-compliant resources[4] at Axehandle were increased to 3,760,000 metric tons with an average grade of 2.5 g/t containing 301,000 ounces of gold, of which 90% of the resources were in the measured or indicated categories. Based on this report, the Company carried out optimized design and feasibility study on open-pit mining at Axehandle, which resulted in the reserves[5] of the Axehandle open-pit mining project being 2,660,000 metric tons with an average grade of 2.4 g/t containing 207,000 ounces of gold, and 78% of the reserves are in the proved category.

In addition, Hanking Gold conducted pit optimized design, reserve estimation and feasibility study on the JORC Code-compliant reserves of the current open-pit mine of Cornishman North in the first half of 2015. The JORC Code-compliant reserves of the open-pit mine were increased by 321,000 metric tons of ores for 21,000 ounces of gold, of which 17,000 ounces are in the proved category and 4,000 ounces are in the probable category[6].

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4 Please refer to Table 1

5 Please refer to Table 2

6 Please refer to Table 2

Table 1: Comparison of JORC Code-compliant Gold Resources at Axehandle

	First half of 2015			As at the end of 2014		
	Ore tonnage (thousand metric tons)	**Grade (g/t)**	**Gold contained (thousand ounces)**	Ore tonnage (thousand metric tons)	Grade (g/t)	Gold contained (thousand ounces)
Measured	**2,330**	**2.6**	**193**	–	–	–
Indicated	**990**	**2.5**	**78**	–	–	–
Inferred	**440**	**2.2**	**31**	2,082	2.0	131
Total	**3,760**	**2.5**	**301**	2,082	2.0	131

Table 2: JORC Code-compliant Open-pit Gold Reserves at Axehandle and Cornishman North

Mine	**Reserve Category**	**Ore tonnage** (thousand metric ton)	**Grade** (g/t)
Axehandle	Proved	2,083	2.4
	Probable	577	2.5
	Total	**2,660**	**2.4**
Cornishman North	Proved	241	2.2
	Probable	80	1.8
	Total	**321**	**2.1**

As of the end of June 2015, JORC Code-compliant resource at the SXO Gold Project was 25,055,000 metric tons with an average grade of 3.7 g/t containing 3 million ounces of gold, representing an increase of 25% since acquisition, and the total JORC Code-compliant reserve was 6,319,000 metric tons with an average grade of 2.9 g/t containing 592,000 ounces of gold, representing an increase of 62.6% as compared to that of the end of 2014, again demonstrating the substantial development potential of the SXO Gold Project.

3. *Continuing development*

Following the first-stage feasibility study on the SXO Gold Project conducted at the beginning of 2014, Hanking Gold conducted feasibility studies on the two open-pit mining projects at Cornishman North and Axehandle at the end of 2014 and the beginning of 2015 respectively, and filed relevant application to the government of the state of Western Australia based on the conclusions from the feasibility studies. As of the end of June 2015, applications for mining, construction of pumping pipelines and surface vegetation clearance in respect of these two projects have been approved by the relevant government authorities, therefore these two projects are essentially ready for production.

Axehandle gold mine is located at 7 kilometers to the south of operating Cornishman gold mine, and is about 5 kilometers away from the Processing Plant. It is planned that Axehandle and Cornishman will share the same office, staff team, equipments, maintenance workshop and processing plant, with apparent synergetic effects. Moreover, Axehandle gold mine is currently the open-pit mine with the largest gold reverses of the SXO Gold Project, with an average grade of 2.4 g/t. Hanking Gold has also been accelerating the preparation work before the development of Axehandle gold mine and will start to develop the gold mine in the near future, in order to achieve the overall synergies and scale effects of the SXO Gold Project.

NICKEL BUSINESS

During the first half of 2015, the London Metal Exchange nickel metal market price opened at USD15,075/metric ton and closed at USD11,980/metric ton, with a decrease of 20.53%. The overall market trend could be divided into three phases: 1) during the period from January to late April 2015, due to lack of significant improvement in the operating environment of the stainless steel industry in the PRC, the nickel price fluctuated at low level; 2) during the period from the end of April to the beginning of May 2015, the nickel price surged as driven by the expectation of implementation of loose monetary policy by the People's Bank of China and the reduced expectation of interest hike by the United States Federal Reserve, which led to sharp increase in the future nickel price and put the spot nickel price on an upward track; and 3) subsequent to late June 2015, affected by the month-on-month slowdown in the growth of stainless steel output in the PRC, the persistently high inventory of nickel and increasing risk aversion due to deterioration of Greek debt crisis, the nickel price slumped to the record low in six years.

The Company acquired the 52.5% equity interests of laterite nickel project located in North Konawe Regency, Southeastern Sulawesi, Indonesia in the first half of 2013. As of the end of June 2015, the nickel business of the Company has a JORC Code-compliant resources of 350,925,000 metric tons of laterite nickel ore resources at the cut-off nickel grade of 1%, with an average nickel grade of 1.37%. Nickel resources with nickel grade lower than 1% and iron grade higher than 45% (i.e. resources with high TFe and low Ni) amounted to 90,540,000 metric tons, with an average TFe grade of 50.27%. Since the acquisition, the Company has made strenuous efforts to enhance its mining capacity and infrastructure construction, currently with an annual mining capacity of 5 million metric tons of ore.

In order to develop the abundant nickel resources of the Indonesia Nickel Project, the Company must, in accordance with Indonesian laws, construct smelting plant to manufacture nickel pig iron ("NPI") products in Indonesia. The Indonesia Nickel Project Company actively carried out negotiations with the relevant parties in seeking a solution to make efficient utilization of the nickel resources. During the first half of 2015, in respect of mining and smelting of nickel ore, the following preparatory works were carried out by the Indonesia Nickel Project Company:

- On 31 March 2015, a non-legally binding memorandum of understanding (the "**MOU**") was entered into between the Company, POSCO E&C (CHINA) CO., LTD and RG Asset Management Corp., setting out among other things, terms regarding the investment, construction and operation of the Nickel Smelter Construction Project (the "**Project**"). Pursuant to the MOU, it is the parties' intention to discuss further the possible investment opportunity for the Project. The Company and RG Asset Management Corp. will provide equity investment for the development of the Project, while the Company has agreed that RG Asset Management Corp. may buy to a maximum of 50% of total production volume of the Project at a 2% discount on the market price. As at the end of the reporting period, negotiation in relation to the Project was terminated due to disagreement among all parties regarding the financing proposal.

- The construction of the crushing station at Jetty BSM was completed with test load commissioning conducted in mid-April 2015, and the crushing station after further refinement and adjustment is ready for operation to crush the carpolite needed for the Nickel Smelter Construction Project.

- The preliminary design, site clearance, preliminary geological exploration, seawater measurement and design of the transmission pipeline for the Phase 1 RKEF project with an annual production capacity of 200,000 metric tons of NPI was completed. Application for relevant approvals for the project construction was made in accordance with Indonesian laws.

- Existing roads of 11.5 kilometers were maintained. Some sections of the roads connecting KKU Camp and Jetty BSM and linking Tambakua Village were severely damaged due to persistent rainfall corrosion, and maintenance had been conducted using labor (for the section linking Tambakua Village) and low-grade mineralized rocks (for the section connecting Jetty BSM).

Finance Review

1. Income, Cost of Sales, Gross Profit

For the first half of 2015, the Group's revenue was RMB471,159,000, representing a decrease of RMB261,966,000 or 35.7% over the corresponding period of last year, mainly due to a decrease of RMB275 per metric ton in sales price of iron ore concentrates as compared to the corresponding period of last year.

For the first half of 2015, the Group's cost of sales was RMB330,013,000, representing a decrease of RMB99,668,000 or 23.2% over the corresponding period of last year, mainly attributable to the decrease in production costs as a result of technology improvement implemented by iron ore business.

For the first half of 2015, the Group's gross profit was RMB141,146,000, representing a decrease of RMB162,298,000 or 53.5% over the corresponding period of last year. As compared to the corresponding period of last year, gross profit margin of the Group declined from 41.4% to 30.0% in the first half of 2015 which was mainly due to the slipping of the average sales price of iron ore concentrates.

2. Other Income and Expenses

For the first half of 2015, the Group's other income was RMB13,240,000, representing an increase of RMB989,000 or 8.1% over the corresponding period of last year. Other income mainly included interest income.

For the first half of 2015, the Group's other expenses were RMB54,733,000, representing an increase of RMB19,520,000 or 55.4% over the corresponding period of last year. The increase was mainly attributable to the impairment on assets incurred by Benxi Mine of RMB47,805,000. Other expenses consisted of asset impairment losses, loss from disposal of properties, plants and equipment, charity donation and other overheads.

3. Selling and Distribution Expenses, Administrative Expenses

For the first half of 2015, the selling and distribution expenses of the Group were RMB18,464,000, representing a decrease of RMB5,095,000 or 21.6% as compared to the corresponding period of last year, which was mainly due to the decreasing transportation costs as a result of decrease in the freight per metric ton for the period as compared to that of corresponding period last year. Selling and distribution expenses consisted of transportation expenses, labour expenses and others.

For the first half of 2015, the administrative expenses of the Group were RMB112,594,000, representing a decrease of RMB19,464,000 or 14.7% as compared to the corresponding period of last year. Administrative expenses included remuneration paid to the Group's management and administrative staff, depreciation and amortization, leasing and office expenses, business development expenses, professional consultation and service expenses, taxation expenses, bank charges, inventory depreciation reserves, accrued doubt debt reserves and others.

4. Financing Cost and Income Tax Expense

For the first half of 2015, the financing costs of the Group were RMB80,336,000, which increased by RMB26,456,000 or 49.1% as compared to the corresponding period of last year. The increase was mainly due to the increase of the Company's borrowings during the period. Financing costs included bank borrowing interest expenses, discount expenses and other financial expenses and the amortization of the long-term payable discount charges. For the first half of 2015, the income tax expenses of the Group were approximately RMB9,136,000, which decreased by RMB32,997,000 or 78.3% as compared to the corresponding period of last year.

5. The Profit and Losses on Changes in Fair Values of Available-for-Sale Financial Assets

For the first half of 2015, the losses on changes in fair values of available-for-sale financial assets of the Group were RMB177,000, representing a decrease of RMB18,574,000 as compared with the corresponding period of last year. Such losses were attributed to the decrease in value of the shares of the Australian listed company held by the Group. During the year, the Group purchased new fixed term bank financial products amounting to RMB199,836,000.

6. Loss and Total Comprehensive Income for the Period

Based on the reasons mentioned above, the loss of the Group for the period was RMB124,942,000, as compared to a profit of RMB29,516,000 as recorded for the corresponding period of last year. The decrease was mainly due to the decrease in gross profit margin and the increase in both finance costs and impairment provision on assets.

Based on the loss for the period, and affected by the gains on changes in fair values of available-for-sale financial assets and foreign currency translation, the total comprehensive loss for the first half of 2015 was approximately RMB147,500,000, as compared to a total comprehensive income of RMB11,479,000 as recorded for the corresponding period of the previous year.

7. Properties, Plants and Equipment, Inventories

As of 30 June 2015, the net properties, plants and equipment of the Group were RMB1,369,328,000, representing a decrease of approximately RMB81,656,000 or 5.6% as compared to the end of the previous year.

As of 30 June 2015, the inventories of the Group were RMB148,966,000, representing an increase of approximately RMB11,660,000 or 8.5% as compared to the end of the previous year. The main reason for the increase was the increase in the inventory for production purpose in Australia.

8. Trade and Other Receivables, Trade and Other Payables

As of 30 June 2015, trade receivables of the Group was RMB361,646,000, representing an increase of RMB26,869,000 over the end of the previous year. As of 30 June 2015, other receivables of the Group was RMB322,479,000, representing an increase of RMB85,237,000 as compared to the end of the previous year, which was mainly attributable to contract prepayment of the gold business and tax recoverable.

As of 30 June 2015, trade payables of the Group was RMB168,519,000, representing an increase of RMB48,104,000 as compared to the end of the previous year. As of 30 June 2015, other payables of the Group was RMB273,605,000, representing a decrease of RMB31,839,000 as compared to the end of the previous year.

9. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows for the first half of 2015 was set out below.

	For the six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Net cash flows from operating activities	**(23,856)**	210,631
Net cash flows from investing activities	**(427,647)**	(125,556)
Net cash flows from financing activities	**198,831**	(162,903)
Net decrease in cash and cash equivalents	**(252,672)**	(77,828)
Cash and cash equivalents at the beginning of the period	**299,587**	369,995
Effect of changes in foreign exchange rate on cash and cash equivalents	**382**	2,047
Cash and cash equivalents at the end of the period	**47,297**	294,214

The net cash outflow from the operating activities during the first half of 2015 was RMB23,856,000, which was mainly attributed to the loss before tax of RMB115,806,000, together with depreciation and amortization of RMB115,091,000, impairment loss on assets of RMB47,805,000 as well as the increase of RMB32,581,000 in trade and other payables and was offset by the increase of RMB112,774,000 in trade and other receivables.

For the first half of 2015, the net cash outflow from investing activities amounted to RMB427,647,000, which mainly reflected the amount of RMB92,700,000 used in acquisition of new plants and equipments to expand production and acquisition of properties, the amount of RMB144,175,000 used as consideration for the acquisition of intangible assets and the amount of RMB198,483,000 used in the acquisition of financial assets.

For the first half of 2015, the net cash inflow from financing activities was RMB198,831,000, which was mainly from the newly added bank loans of RMB1,159,941,000. The net cash inflow was offset by the repayment of bank loans of RMB621,231,000 and the payment of bank loan deposit of RMB339,879,000.

10. Cash and Borrowings

As of 30 June 2015, cash balance of the Group amounted to RMB889,629,000, representing an increase of approximately RMB87,589,000 or 10.9% compared to the end of last year.

As of 30 June 2015, the balance of bank borrowings of the Group was RMB2,764,674,000, representing an increase of RMB538,506,000 as compared to the end of last year. In addition to the information disclosed above or otherwise in this announcement, the Group has no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, borrowing, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities.

11. Gearing Ratio, Interest Rate Risk, and Foreign Exchange Risk

The gearing ratio of the Group increased from 68.5% on 31 December 2014 to 74.7% on 30 June 2015, which is calculated by dividing the total liabilities by the total assets.

The interest rate risk in the fair value of the Group mainly relates to the bank borrowings. The management of the Group will continue to monitor the loan portfolio and interest rate risks of the Group, and may consider taking appropriate measures to hedge material interest rate risks when necessary.

Up to now, the major operating transactions of the Group are denominated in RMB, which is also the reporting currency of the Group. Since RMB is not freely convertible, the risk that the Chinese government may take measures to interfere the exchange rates may bring effects to the Group's net asset value, profit and the dividends declared to the extent that such dividends are subject to foreign exchange. Meanwhile, the Group acquired mining assets in Indonesia and Australia in 2013. Their assets and liabilities are denominated in Indonesian Rupiah and AUD respectively, which are affected by the foreign exchange rate and accordingly affecting net assets and revenue of the Group. Given that fluctuation in the exchange rate has no material impact on the cashflow of the Group, we have no hedging measures against such exchange risks. The management of the Group will continue to monitor the currency matching between the revenue and costs of the Group and the exchange risks, and may consider taking appropriate measures to hedge material exchange risks when necessary.

12. Assets Securities and Contingent Liabilities

Some of the bank loans of the Group are secured by the mining rights certificates. As of 30 June 2015, the aggregate net carrying value of the mining rights used as securities amounted to RMB293,005,000.

As of 30 June 2015, the Group had no material contingent liabilities.

13. Capital Commitment

For the first half of 2015, the capital commitment of the Group was RMB183,293,000, representing a decrease of RMB240,621,000 or 56.8% over that at the end of last year. The capital commitment mainly consisted of the amount of RMB139,216,000 for the underground mining works of Maogong Mine, the amount of RMB41,458,000 for the underground mining works of Shangma Mine and the amount of RMB1,645,000 for the underground mining works of Aoniu Mine.

14. Capital Expenditure

The Group's capital expenditure increased from approximately RMB125,556,000 in the first half of 2014 to approximately RMB346,498,000 in the first half of 2015. Expenditure incurred in the first half of 2015 mainly included (i) expenditure for acquisition of plants, machine equipments and properties amounting to RMB102,682,000; and (ii) expenditure for acquisition of intangible assets amounting to RMB237,690,000.

15. Significant Investment Held

The fair value of the significant investments held by the Group in aggregate amounted to RMB209,371,000, including the equity interests in three companies listed on Australian Securities Exchange and the investments in unlisted financial products. Save as aforesaid, the Group did not hold any significant investments as at 30 June 2015.

16. Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 28 February 2015, the Group sold its subsidiary Yingkou Xinwang Alloy Furnace Charge Co., Ltd. (營口鑫旺合金爐料有限公司) to an independent third party at nil consideration, resulting in loss on disposal of a subsidiary in an amount of RMB2,266,000. Save as aforesaid, the Group had no other material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2015.

SAFETY, ENVIRONMENTAL PROTECTION, EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2015, the Group had a total of 2,155 employees (as at 30 June 2014: a total of 2,483 employees).

As of 30 June 2015, the aggregate remuneration expenses and other employee benefits costs of the Group amounted to RMB70,907,000 (2014: RMB95,510,000). Employee costs included basic salary, commission and bonus, housing allowance, pension, medical insurance, occupational injury insurance and other insurances required by the government. In accordance with the remuneration policy of the Group, income of employees is related to the performance of individual employee and the operation performance of the Group. The Group carried out performance assessment to stimulate employee initiatives, so as to enhance the operation performance of the Company.

In order to improve the overall quality and professional skills of the employees, the Group has developed and implemented the Administrative System on Training, establishing a complete set of training system and process including induction training, professional skill training and quality training. The Group has launched the E-Learning platform operated by Hanking Online Institute, allowing the employees to have access to the online college for autonomous learning. The Group also established Hanking Mining Institute and recruited staff with rich knowledge and experiences as internal trainers to provide internal trainings for the employees, so as to enhance exchange and dissemination of knowledge and experiences within the Group, with an aim to improve the comprehensive capability of our employees. During the reporting period, the Group has organized a number of internal and external trainings for its employees.

OTHERS

Corporate Governance

During the period from 1 January 2015 to 30 June 2015, the Company has fully complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules. Meanwhile, the Company has complied with most of the best practice as recommended therein.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules, and the Company also formulated the Written Guideline on Dealings in the Securities of the Company by Directors and the Relevant Employees (the "**Company Guideline**"), which adopted the standards equivalent to the provisions of Appendix 10 to the Listing Rules as the model code regarding dealings in the Company's securities by the Directors. Specific enquiry has been made to all Directors and the relevant employees, who have confirmed that they have complied with the Model Code and the Company Guideline throughout the six months ended 30 June 2015.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Audit Committee

Mr. Johnson Chi-King Fu retired as an independent non-executive Director of the Company upon conclusion of the AGM on 28 May 2015 and also ceased to be a member of the nomination committee of the Company (the "**Nomination Committee**") and the Audit Committee; Mr. Victor Yang was appointed as an independent non-executive Director of the Company and would also act as a member of the Nomination Committee and Audit Committee. Therefore, the Audit Committee was comprised of three independent non-executive Directors from 1 January 2015 to 28 May 2015, i.e. Mr. Wang Ping (chairman of the Audit Committee), Mr. Johnson Chi-King Fu and Mr. Wang Anjian. The Audit Committee was comprised of three independent non-executive Directors from 28 May 2015 to 30 June 2015, i.e. Mr. Wang Ping (chairman of the Audit Committee), Mr. Wang Anjian and Mr. Victor Yang.

Pursuant to Rule 3.21 of the Listing Rules, the Company established the Audit Committee. According to Rule 3.22 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules, the terms of reference of the Audit Committee was approved and stated. The Audit Committee is primarily responsible for reviewing and monitoring the financial report and the internal control of the Group, and reviewing the accounting policies, accounting principles and methods adopted by the Company with the management of the Company.

The Audit Committee, which has reviewed the 2015 Interim Results for the six months ended 30 June 2015 of the Company which has not been audited by independent auditors, believes that the interim results were prepared in accordance with the accounting principles, rules and regulations adopted, and made appropriate disclosure.

Interim Dividend

The Board has proposed not to distribute any interim dividend for the six months ended 30 June 2015.

Publication of Interim Results and Report

This results announcement will be published on the website of Hong Kong Stock Exchange at www.hkexnews.hk and the Company's website at www.hankingmining.com.

The Company's 2015 interim report containing all the information required under the Listing Rules will be dispatched to the shareholders and will be published on the websites of the Company and Hong Kong Stock Exchange in due course.

Acknowledgement

The Board would like to hereby give sincere acknowledgement to the shareholders, management team, employees, business partners and customers for their consistent support, and great appreciation to their hard work and enthusiasm.

FINANCIAL STATEMENTS AND NOTES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended 30 June	
		2015	2014
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*2*	**471,159**	733,125
Cost of sales		**(330,013)**	(429,681)
Gross profit		**141,146**	303,444
Other income		**13,240**	12,251
Selling and distribution expenses		**(18,464)**	(23,559)
Administrative expenses		**(112,594)**	(132,058)
Other expenses and losses		**(54,733)**	(35,213)
Net foreign exchange (loss) gain		**(4,065)**	664
Finance costs		**(80,336)**	(53,880)
(Loss) profit before tax	*3*	**(115,806)**	71,649
Income tax expense	*4*	**(9,136)**	(42,133)
(Loss) profit for the period		**(124,942)**	29,516
Other comprehensive expense:			
Items that may be subsequently reclassified to profit or loss:			
Net fair value gain (loss) on available-for-sale financial assets		**2,370**	(22,174)
Exchange differences on translation of financial statements of foreign operations		**(24,928)**	4,137
Other comprehensive expense for the period		**(22,558)**	(18,037)
Total comprehensive (expense) income for the period		**(147,500)**	11,479
(Loss) profit for the period attributable to:			
Owners of the Company		**(112,323)**	50,875
Non-controlling interests		**(12,619)**	(21,359)
		(124,942)	29,516

		Six months ended 30 June	
		2015	2014
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(132,407)**	33,696
Non-controlling interests		**(15,093)**	(22,217)
		(147,500)	11,479
(Loss) earnings per share (RMB cent per share)	*6*	**(6.1)**	2.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**1,369,328**	1,450,984
Intangible assets		**1,251,241**	1,038,886
Prepaid lease payments		**318,340**	314,534
Deferred tax assets		**7,815**	8,475
Loan receivable from a third party		**11,300**	11,300
Deposit on acquisition of property, plant and equipment		**11,420**	21,770
Restricted cash		**3,769**	4,014
		2,973,213	2,849,963
Current assets			
Inventories		**148,966**	137,306
Prepaid lease payments		**42,659**	63,100
Trade and other receivables	*7*	**684,125**	572,019
Tax recoverable		**5,205**	11,743
Available-for-sale financial assets		**209,371**	8,695
Pledged bank deposits	*8*	**842,332**	502,453
Bank balances and cash	*8*	**47,297**	299,587
		1,979,955	1,594,903
Current liabilities			
Trade and other payables	*9*	**442,124**	425,859
Bank borrowings	*10*	**2,274,395**	1,636,485
Consideration payable		**104,469**	82,683
Loans payable to non-controlling interest of a subsidiary		**–**	3,173
Tax liabilities		**31,169**	31,567
Other financial liabilities		**33,879**	–
		2,886,036	2,179,767
Net current liabilities		**(906,081)**	(584,864)
Total assets less current liabilities		**2,067,132**	2,265,099

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	NOTES	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Capital and reserves			
Share capital	*11*	**149,137**	149,137
Reserves		**889,732**	1,022,139
Total equity attributable to owners of the Company		**1,038,869**	1,171,276
Non-controlling interests		**211,510**	228,458
		1,250,379	1,399,734
Non-current liabilities			
Bank borrowings	*10*	**490,279**	589,683
Consideration payable		**192,340**	206,652
Rehabilitation provision		**64,180**	68,090
Retirement benefit obligations		**6,700**	940
Deferred tax liabilities		**3,618**	–
Other financial liabilities		**59,636**	–
		816,753	865,365
		2,067,132	2,265,099

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) Interim Financial Reporting issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the geographical information of the operations and products. The Group has been operating in three segments, being iron mine business (the business of Shenyang Toyo Steel Utility Co., Ltd and its subsidiaries, excluding Yingkou Xinwang Alloy Furnace Charge Co., Ltd.), nickel ore business (business of Hanking Indonesia and its subsidiaries, including Yingkou Xinwang Alloy Furnace Charge Co., Ltd) and gold mine business (business of Hanking Australia Pty Ltd and its subsidiaries), respectively. The Group identified an operating segment which is a component of the Group (a) that engages in business activities from which it may earn revenues and incur expenses; and (b) whose operating results are reviewed regularly by the executive directors, the chief operating decision maker, to make decisions about resources allocation and assess its performance.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without central administration costs and directors' salaries, financial costs and other income and expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the operating segment are the same as those adopted by the Group in the preparation of condensed consolidated financial statements. Details of the reportable operating segments are as follows:

Six months ended 30 June 2015

	Iron *RMB'000*	**Nickel** *RMB'000*	**Gold** *RMB'000*	**Total** *RMB'000*
SEGMENT REVENUE				
External sales	**471,159**	**–**	**–**	**471,159**
Inter-segment sales	**–**	**–**	**–**	**–**
	471,159	**–**	**–**	**471,159**
Segment loss	**(59,213)**	**(21,545)**	**(11,395)**	**(92,153)**
Central administration costs and directors' salaries				**(13,873)**
Finance costs				**(9,780)**
Group's loss before tax				**(115,806)**

Six months ended 30 June 2014

	Iron *RMB'000*	Nickel *RMB'000*	Gold *RMB'000*	Total *RMB'000*
SEGMENT REVENUE				
External sales	716,812	16,313	–	733,125
Inter-segment sales	–	–	–	–
	716,812	16,313	–	733,125
Segment profit (loss)	167,929	(44,145)	(38,537)	85,247
Central administration costs and directors' salaries				(5,032)
Finance costs				(8,684)
Other income and expense				118
Group's profit before tax				71,649

3. (LOSS) PROFIT BEFORE TAX

(Loss) profit before taxation has been arrived at after charging:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories recognised as an expense	**292,333**	374,977
Auditors' remuneration	**500**	500
Release of prepaid lease payments	**20,828**	27,626
Depreciation and amortisation:		
– Property, plant and equipment	**86,837**	90,507
– Intangible assets	**7,426**	6,772
	94,263	97,279
Staff costs (including directors):		
– Salary and other benefits	**70,907**	95,510
– Retirement benefits scheme contributions	**9,812**	9,432
	80,719	104,942

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Income tax expenses comprise:		
PRC enterprise income tax ("EIT") – current	**4,775**	42,334
Under (over) provision of EIT in prior years	**1,007**	(437)
Deferred tax	**3,354**	236
	9,136	42,133

The Company was incorporated in the Cayman Islands and is not subject to any income tax.

PRC income tax is calculated based on the statutory income tax rate of 25% (2014: 25%) of taxable income of the subsidiaries based on the relevant PRC tax rules and regulations.

China Hanking Investment Limited ("Hanking Investment"), China Hanking (BVI) International Limited ("Hanking International") and Hanking Indonesia were incorporated in the British Virgin Islands ("BVI") and are not subject to income tax of any jurisdiction during the period (2014: nil).

China Hanking (Hong Kong) Limited ("Hanking HK"), Hanking Mining (Hong Kong) Limited, Denway Development Limited, City Globe Limited and Harvest Globe Limited were incorporated in Hong Kong and Hong Kong Profits Tax rate is 16.5% (2014:16.5%).

Hanking Australia Pty Ltd. ("Hanking Australia"), Hanking Gold Mining Pty Ltd. and Hanking Gold Mining Alliance were incorporated in Australia and Australia profits tax rate is 30% (2014: 30%). They have no assessable profits subject to Australia profits tax during the current period (2014: nil).

Subsidiaries of Hanking Indonesia were incorporated in Indonesia and Indonesia profits tax rate is 25% (2014: 25%). They have no assessable profits subject to Indonesia profits tax during the current period (2014: nil).

5. DIVIDENDS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final dividend declared for 2014 RMB nil cent (2013: RMB2.0 cents) per share	**–**	36,600

During the current interim period, no dividend in respect of the year ended 31 December 2014 (2014: RMB2.0 cents per share in respect of the year ended 31 December 2013) was declared and paid to the owners of the Company.

No dividends were paid, declared or proposed during the current interim period. The directors have determined that no dividend will be paid in respect of the current interim period.

6. (LOSS) EARNINGS PER SHARE

The calculation of loss per share is based on the loss for the six months ended 30 June 2015 attributable to owners of the Company and the 1,830,000,000 Shares in issue during the current period (2014: 1,830,000,000 Shares).

7. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 7 days to its customers of iron ore concentrates. The aging of bills receivables are within six months. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period.

	30 June 2015 *RMB'000* **(Unaudited)**	31 December 2014 *RMB'000* (Audited)
Within 7 days	**126,184**	33,044
8 days to 3 months	**66,443**	91,778
3 months to 1 year	**34,541**	–
	227,168	124,822
Bills receivables	**134,478**	209,955
Total trade receivables	**361,646**	334,777
Other receivables, deposits and prepayments	**322,479**	237,242
	684,125	572,019

8. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

The pledged bank deposits at 30 June 2015 were for the purpose of issuance of bank borrowings and notes payable and carried fixed interest rate of 2.67% to 3.30% per annum.

Bank balances and cash of the Group comprise cash and short term bank deposits with an original maturity of three months or less. The bank balances carry variable interest rates of 0.35% (2014: 0.35%) per annum.

9. TRADE AND OTHER PAYABLES

Payment terms with suppliers are mainly on credit within 90 days from the time when the goods are received from suppliers. The following is an aged analysis of trade payables based on the date of the goods received at the end of the reporting period:

	30 June 2015 *RMB'000* **(Unaudited)**	31 December 2014 *RMB'000* (Audited)
Within 3 months	**117,664**	66,728
3 months to 1 year	**2,790**	14,108
1 year to 2 years	**678**	1,384
2 years to 3 years	**173**	1,528
Over 3 years	**1,633**	816
	122,938	84,564
Bill payables	**45,581**	35,851
Total trade payables	**168,519**	120,415
Other payables, advances and accruals	**273,605**	305,444
	442,124	425,859

10. BANK BORROWINGS

	30 June 2015 *RMB'000* **(Unaudited)**	31 December 2014 *RMB'000* (Audited)
Secured bank loans *(note b)*		
Fixed-rate bank loans	**1,577,404**	1,387,758
Floating-rate bank loans *(note a)*	**1,187,270**	838,410
	2,764,674	2,226,168
Amount repayable:		
Due within one year (amount shown under current liabilities)	**2,274,395**	1,636,485
More than one year, but not exceeding five years (amount shown under non-current liabilities)	**490,279**	589,683
	2,764,674	2,226,168
Effective interest rates of bank borrowings	**4.99%**	5.58%

Notes:

a) The floating-rate bank loans of RMB220,000,000 carry interest at 117% of the interest rate of RMB loans promulgated by the People's Bank of China. The USD loans of RMB967,270,000 carry 3-month LIBOR plus 100 to 190 base points of the interest rate.

b) The bank borrowings of RMB1,007,405,000 (31 December 2014: RMB887,758,000) were secured by the mining rights with carrying amounts of RMB270,059,000 (31 December 2014: RMB284,404,000) and by the pledge of equity interest right of Maogong Mining, Xingzhou Mining and Fushun Shangma. Of the above RMB1,007,406,000, bank borrowings of RMB907,404,000 were also guaranteed by Hanking Industrial Group Co., Ltd. ("Hanking Industrial Group") and Ms. Yang Min. Hanking Industrial Group was ultimately controlled by Ms. Yang Min.

The bank borrowings of RMB520,000,000 (31 December 2014: RMB540,000,000) were guaranteed by Hanking Industrial Group and Ms. Yang Min.

The bank borrowings of RMB844,780,000 (31 December 2014: RMB798,410,000) were secured by the letter of credit of the Group.

The bank borrowings of RMB122,489,000 (31 December 2014: nil) were secured by the mining rights with carrying amounts of RMB22,946,000 (31 December 2014: nil) and by the listed investment with a fair value of RMB9,535,000 (31 December 2014: nil) at the end of the reporting period. The bank borrowings were also guaranteed by China Hanking Holdings Limited and Ms. Yang Min.

At 30 June 2015, the bank borrowings of RMB270,000,000 were secured by pledged bank deposits of RMB180,000,000 and available-for-sale financial assets with carrying amount of RMB90,376,000.

11. SHARE CAPITAL

The amount as at 30 June 2015 and 31 December 2014, represented the then issued share capital of the Company, details of movements of share capital of the Company are as follow:

	Number of share	**Share capital**	**Shown in the consolidated financial statements**
		HK$'000	*RMB'000*
Ordinary shares of HK$0.1 each			
Authorised:			
At 31 December 2014 and 30 June 2015	10,000,000,000		
Issued:			
At 31 December 2014 and 30 June 2015	1,830,000,000	182,900	149,137

DEFINITIONS

"Aoniu Mine"	located at Hou'an Town, Fushun City, an iron mine operated through Aoniu Mining, a subsidiary of the Company
"Aoniu Mining"	Fushun Hanking Aoniu Mining Limited (撫順罕王傲牛礦業股份有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Australia"	The Commonwealth of Australia
"AUD" or "Australian dollars"	the lawful currency of Australia
"Benxi Mine"	located at Benxi City, an iron mine operated through Benxi Mining, a subsidiary of the Company
"Benxi Mining"	Benxi Hanking Mining Co., Ltd. (本溪罕王礦業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Board"	the board of Directors of the Company
"BSM"	PT Bhumi Swadaya Mineral, a limited company established in Indonesia, which operates Jetty BSM owned by itself
"China" or "PRC"	the People's Republic of China. For the purpose of this report, references in this report to the PRC or China do not include Hong Kong, Macau Special Administrative Region and Taiwan
"the Company" or "our Company" or "we"	China Hanking Holdings Limited
"Directors"	the directors of the Company
"EBITDA"	the abbreviation of earnings before interest, taxes, depreciation and amortization
"Fushun Shangma"	Fushun Hanking Shangma Mining Limited (撫順罕王上馬礦業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"the Group" or "Hanking"	China Hanking Holdings Limited and its subsidiaries

"Hanking Gold"	Hanking Gold Mining Pty Ltd, a limited liability company established in Australia and a wholly-owned subsidiary of the Company
"Hanking Indonesia"	Hanking (Indonesia) Mining Limited, a limited company established in the British Virgin Islands and a non wholly-owned subsidiary of the Company
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Indonesia"	The Republic of Indonesia
"Indonesia nickel ore project"	laterite nickel project operated by the Company through KKU, KP and KS in North Konawe, the South-East Sulawesi of Indonesia
"Indonesian Rupiah"	the lawful currency of Indonesia
"JORC Code"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (2012 edition), as published by the Joint Ore Reserves Committee
"KKU"	PT Karyatama Konawe Utara, a company established in Indonesia, an indirectly non wholly-owned subsidiary of the Company
"KP"	PT Konutara Prima, a company established in Indonesia, an indirectly non wholly-owned subsidiary of the Company
"KS"	PT Konutara Sejati, a company established in Indonesia, an indirectly non wholly-owned subsidiary of the Company
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Maogong Mine"	located at Shiwen Town, Fushun City, an iron mine operated through Maogong Mining, a subsidiary of the Company

"Maogong Mining"	Fushun Hanking Maogong Mining Co., Ltd. (撫順罕王毛公鐵礦有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"RMB"	Renminbi Yuan, the lawful currency of the PRC
"Shangma Mine"	located at Fushun Shangma, an iron mine operated through Fushun Shangma, a subsidiary of the Company
"Shares"	ordinary share(s) of nominal value of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"SXO"	located at the center of Yilgarn goldfield in Western Australia (Southern Cross Operation, abbreviated as SXO Gold Project)
"United States"	the United States of America
"US$" or "US dollars" or "USD"	United States dollars, the lawful currency of the United States
"Xingzhou Mine"	located at Dongzhou District, Fushun City, an iron mine operated through Xingzhou Mining, a subsidiary of the Company
"Xingzhou Mining"	Fushun Hanking Xingzhou Mining Limited (撫順罕王興洲礦業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

By order of the Board
China Hanking Holdings Limited
Chairlady and Executive Director
Yang Min

Shenyang, PRC, 28 August 2015

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