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 2018

MAJOR OPERATION RESULTS

1. **Recording substantial increase in profit for the period of the continuing operations**

   Profit for the period of the Group's continuing operations was approximately RMB133,668,000 (the first half of 2017: RMB54,918,000), representing an increase of approximately RMB78,750,000 or 143.40% over the corresponding period of last year.

2. **Promoting the development of the gold project**

   Since our investment in PGO in 2014, the Company has been its sole largest shareholder. During the first half of 2018, the Company acquired all of the issued shares of PGO at an offer price of AUD35,386,000 in cash. PGO has JORC Code-compliant resource of approximately 2 million ounces at an average grade of 1.1 gram/ton gold and ore reserve of approximately 0.23 million ounces at an average grade of 3.9 gram/ton gold. In order to further expand our gold business in Australia, and leveraging on the success of the SXO Gold Project, the Company will strive to further develop and enhance asset value through exploration, development and operation of the mines.

3. **Increasing output of high-grade iron ore concentrates**

   Through continuous development and research as well as constant technology improvements, the output and sales volume of Maogong Mine, the key operating mine of the Group, continued to grow at a rapid pace. The output of Maogong Mine amounted to 664 thousand metric tons for the first half of 2018 (the first half of 2017: 562 thousand metric tons), representing a year-on-year increase of 18.15%, which accounted for 70.94% of the Group's output of iron ore concentrates. Driven by the production expansion of Maogong Mine, the output of iron ore concentrates by the Group amounted to 936 thousand metric tons for the first half of 2018, representing a year-on-year increase of 0.43%.

4. **Maintaining the competitiveness of low-cost operations and high gross profit of the iron ore business**

Benefiting from the economies of scale generated by continuous technology improvement, the cash operation cost of iron ore concentrates was RMB286 per metric ton for the six months ended 30 June 2018, remaining as one of the mines with the lowest production cost in the country, and the iron ore business recorded a gross profit margin of 43.03%.

5. **Commencement of production and sales of the green building materials project**

The green building materials project was approved for launch by the Board at the end of August 2017. In October 2017, Hanking Green Building Materials was established, and the construction of the main plant located in Fushun City, Liaoning Province commenced during the same period. The Company planned to invest a total of RMB120 million to build a foamed ceramics production line with an annual production capacity of 120,000 cubic meters and the ancillary projects. After commencement of construction for over half a year, the first production line was put into production in August 2018, which adopts the tunnel kiln technology. As of the date of this announcement, Hanking Green Building Materials has concluded sale agreements with customers for approximately 4,300 cubic meters of partition boards.

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2018:

- revenue from the Group's continuing operations amounted to approximately RMB601,701,000 (the first half of 2017: RMB541,452,000), representing an increase of approximately RMB60,249,000 or 11.13% as compared to the corresponding period of last year;
- the profit for the period of the continuing operations was approximately RMB133,668,000 (the first half of 2017: RMB54,918,000), representing an increase of approximately RMB78,750,000 or 143.40% from that of the same period of last year;
- earnings per share of the continuing operations were approximately RMB7.6 cents, representing an increase of approximately RMB3.9 cents or 105.41% as compared with that for the corresponding period of last year; and
- the gearing ratio, as calculated by dividing total liabilities by total assets, of the Group as at 30 June 2018 was 57.44%, down by approximately 7 percentage points as compared to that as at 31 December 2017.

The Board of China Hanking Holdings Limited hereby announced the unaudited consolidated results of the Group for the six months ended 30 June 2018 (the "**2018 Interim Results**"). The 2018 Interim Results have been reviewed by the audit committee of the Company (the "**Audit Committee**") and Deloitte Touche Tohmatsu, the auditor of the Company, and have been approved by the Board on 24 August 2018.

OPERATION REVIEW [Note]

Iron Ore Business

During the first half of 2018, due to the further production expansion of the four major mines and the increase in supply, port inventory remained at a relatively high level. During the first half of the year, the import price of iron ores (Platts, at a grade of 62%) peaked at US$79.95 per metric ton in February and kept fluctuating within the range of US$60 to US$70 per metric ton afterwards.

With the penetration of the supply-side structural reform in China, most of the iron will be produced using the blast furnace method in the coming 15 to 20 years, which will continue to drive strong demand for the iron ores. Furthermore, with the further implementation of de-capacity measures in the steel industry and the industry structural adjustment, downstream steel sectors maintained a relatively high profit margin, providing solid support for the price of iron ores. Benefiting from a favorable foreign exchange environment, it is expected that the price of iron ores will remain on a stable upward track, showing an overall trend of fluctuating at a low level.

Note: In this announcement, cost data (being information which are not required to be disclosed under the International Accounting Standard) have not been reviewed by the auditor of the Company.

Moreover, due to the implementation of environmental protection measures, demands for persistently high-grade raw iron ores from the steel companies will remain robust, which will ensure a stable profit margin for high-grade raw iron ores.

1. Achieving year-on-year increase in product prices by producing high-grade iron ore concentrates

The iron ore business of the Company is situated at the famous iron ore metallogenic belt of Anshan to Benxi where iron ore resource is rich and in good quality. Over the past couple years, the Company has been working hard to improve the quality of its iron ore concentrate products. The Company produced iron ore concentrates at a stable grade of 68% or above with low content of sulfur, phosphorus and other impurity substance, enabling our clients to significantly reduce their production costs. Therefore, the Company concluded new annual sales agreements with our major customers at the beginning of 2018, increasing the sales price of iron ore concentrates by approximately RMB21 per metric ton. Benefiting from the rising sales price and a favourable market condition, the average sales price of our iron ore concentrates was approximately RMB623 per metric ton in the first half of 2018 (first half of 2017: RMB581 per metric ton), representing an increase of approximately RMB42 per metric ton or 7.23% as compared with that for the corresponding period of last year.

Through continuous technology improvements, Maogong Mine of the Group has achieved steady growth in output, leading to continuous increase in the output and sales volume of iron ore concentrates. The output of Maogong Mine amounted to 664 thousand metric tons in the first half of 2018 (first half of 2017: 562 thousand metric tons), representing a year-on-year increase of 18.15%, which accounted for 70.94% of the Group's output of iron ore concentrates. Driven by the production expansion of Maogong Mine, the output of iron ore concentrates by the Group amounted to 936 thousand metric tons in the first half of 2018, representing a year-on-year increase of 0.43%, while the sales volume of iron ore concentrates amounted to 907 thousand metric tons, representing a year-on-year decrease of 2.68%.

The breakdown of output and sales volume of iron ore concentrates

	For the six months ended 30 June		
	2018 ***(thousand metric tons)***	2017 *(thousand metric tons)*	Change in percentage
Output	**936**	932	0.43%
Of which, Maogong Mine	**664**	562	18.15%
Aoniu Mine	**272**	370	-26.49%
Sales volume	**907**	932	-2.68%
Of which, Maogong Mine	**644**	567	13.58%
Aoniu Mine	**263**	365	-27.95%

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

Through continuous technology improvements, the output of Maogong Mine was increased to achieve economies of scale, leading to significant decrease in processing costs. However, as the proportion of underground mining operation increased during the first half of 2018, the cash operation cost of iron ore concentrates was RMB286/metric ton during the six months ended 30 June 2018, representing an increase of 9.16% as compared to the corresponding period of last year, and the cost of sales was RMB355/metric ton, representing an increase of 17.58% as compared to the corresponding period of last year. Nevertheless, it remained as one of the mines with the lowest production cost in the country, continuing to maintain its core competitiveness of low-cost operations.

The breakdown of cash operation costs of the iron ore business

	Cash operation costs of iron ore concentrates (RMB/metric ton of iron ore concentrates) For the six months ended 30 June			
Item	**2018**	2017	Change	Change in percentage
Comprehensive mining cash costs *(Note 1)*	**137**	111	26	23.42%
Processing cash costs *(Note 2)*	**69**	73	-4	-5.48%
Transportation expense *(Note 3)*	**18**	20	-2	-10.00%
Tax *(Note 4)*	**36**	40	-4	-10.00%
Mine management expense *(Note 5)*	**26**	18	8	44.44%
Total	**286**	262	24	9.16%

Notes: 1. The substantial increase in the mining costs for per metric ton of iron ore concentrates was mainly due to the increase in the outsourcing costs for mining.

2. The decrease in the processing costs for per metric ton of iron ore concentrates was due to the increase in the output of iron ore concentrates and continuous technology improvements in the first half of 2018.

3. The decrease in transportation expense for per metric ton of iron ore concentrates was due to the decrease in sales volume to customers who were located at distant places.

4. The decrease in tax expense for per metric ton of iron ore concentrates was due to the reduction or exemption of resource tax enjoyed by Aoniu Mine and the substitution of sewage charge by green tax.

5. The increase in mine management expense was due to the increase in research and development expenditures by the Company in an effort to optimize production process and enhance resource value.

3. Resources and reserves

During the first half of 2018, due to the completion of disposal of Xingzhou Mining, the iron ore resources and JORC Code-compliant iron ore reserves of the Group were approximately 99 million metric tons and 40 million metric tons respectively, which had no material change as compared to the data at the end of 2017 (excluding data of Xingzhou Mine).

4. Commencement of production of the green building materials project

Since its establishment, and upholding the tenet of "Safe Mines, Harmonious Mines, Green Mines", the iron ore business of Hanking strives to improve resource utilization and mitigate impacts of production activities on the environment by ways of recycling and technology upgrade.

Through extensive study, the management found that the iron tailings produced by Maogong Mine had low sulfur and phosphorus content and high silicon and aluminum content, making it perfect to be used as the main raw materials for the production of foamed ceramics. The iron tailing (solid wastes) produced by the mine is used to produce a new type of building materials (i.e. foamed ceramics), which are mainly used as external wall insulation board and interior wall board due to its light, fireproof, anti-flaming, moisture-proof, insulation, sound-proof and other properties, and can be used as a new wall materials to replace the existing wall materials in the domestic market and has huge market potential.

The green building materials project was approved for launch by the Board at the end of August 2017. In October 2017, Hanking Green Building Materials was established, and the construction of the main plant located in Fushun City, Liaoning Province commenced during the same period. The Company planned to invest a total of RMB120 million to build a foamed ceramics production line with an annual production capacity of 120,000 cubic meters and the ancillary projects. As at 30 June 2018, the accumulative investment amounted to approximately RMB47,060,000. After commencement of construction for over half a year, the first production line was put into production in August 2018, which adopts the tunnel kiln technology to mainly produce partition boards.

Through productive research and development activities, Hanking Green Building Materials had developed its own core technologies and established standards for enterprise producing partition boards. The main products – partition boards are characterized with its thermal insulation and heat-proof functions, which are energy-efficient and environmentally-friendly.

Furthermore, as of the date of this announcement, Hanking Green Building Materials has concluded sale agreements with customers for approximately 4,300 cubic meters of partition boards. With the launching of this project and commencement of sale of products, the iron ore resources were reused to bring additional income for the Company, which also released capacity in the tailings storage facility and further mitigated the impact on the environment by mining production.

5. Overview of the iron ore business

In the first half of 2018, the average sales price of iron ore concentrates produced by the Group was RMB623/metric ton (first half of 2017: RMB581/metric ton), representing an increase of approximately RMB42/metric ton or 7.23% as compared with that for the corresponding period of last year. For the six months ended 30 June 2018, revenue of the iron ore business of the Group was RMB564,940,000, representing a year-on-year increase of 4.34%, mainly due to the rising average sales price and the increase in the output of iron ore concentrates; gross profit margin of the products was 43.03%, decreased by approximately 5 percentage points as compared with that of the same period of last year; net profit of the iron ore business amounted to RMB166,454,000 (first half of 2017: RMB122,271,000), representing a year-on-year increase of 36.14%.

In order to further expand the output of Maogong Mine, we carried out technology improvements for the underground mining work of Maogong Mine and the processing plant as planned. It is scheduled to complete the joint test run and technology improvement by the end of 2018. The total capital expenditure of the iron ore business for the first half of the year was RMB32,385,000, representing a year-on-year decrease of 4.21%.

Gold Business

In the first half of 2018, the interest hikes by the Federal Reserve on the back of a strong American economy drove the US Dollar upwards, continuing to put pressure on the gold price. After kicking off at US$1,302.70 per ounce at the beginning of the year, the international gold price was on an upward track where the gold price fluctuated around US$1,330 per ounce for four months and once peaked at US$1,366.05 per ounce. Being affected by the trade war and a persistently strong US Dollar, gold price has been declining since the end of April and closed at US$1,253.20 per ounce for the first half of the year. In the second half of 2018, the weak wage growth in the United States, the increasing uncertainties arising from the trade frictions between China and the United States and expectation of depreciation of the Renminbi will raise risk aversion sentiment in the market, which will provide support for the gold price.

During the first half of 2018, due to fluctuations in the US Dollar, the USD-denominated gold price showed a trend of overall decrease. However, as the Company's gold business is located in Australia, the AUD-denominated gold price imposes a more direct impact on the Company. During the first half of 2018, the AUD-denominated gold price kicked off the year at AUD1,669/ounce and closed at AUD1,692/ounce, with the lowest price of AUD1,655/ounce and the highest price of AUD1,763/ounce, recording the highest fluctuation range in history.

1. Completion of acquisition of PGO gold project

In February 2018, Hanking Australia Investment (a subsidiary of the Company) and PGO (a company listed on the Australian Securities Exchange), through friendly negotiations, have entered into (i) a bid implementation agreement (BIA), under which Hanking Australia Investment has agreed to make a recommended conditional takeover bid for all of the issued shares of PGO at an offer price of AUD0.0575 cash per share; and (ii) in conjunction with the BIA, the loan and facility agreement, pursuant to which Hanking Australia Investment has agreed to provide PGO with an AUD1.5 million unsecured loan facility to assist PGO fund its short term working capital needs and other approved project activities during the offer period.

On 10 April 2018, the acquisition of PGO was approved by the Foreign Investment Review Board of Australia, and the conditions precedent for the off-market takeover bid of all the shares of PGO have been satisfied. 56.5% of the shares in PGO were held by HGM, a wholly-owned subsidiary of Hanking Australia Investment, while the rest of the shares would be acquired on the market through public offer. The acquisition of all the shares of PGO was eventually completed on 8 June 2018. The total consideration for the acquisition of PGO was AUD35,386,000.

PGO is an Australian listed gold company with interests in the Coolgardie gold project in Western Australia and the Toms Gully gold project and the RustlersRoost gold project in the Northern Territory, among which, the Toms Gully gold project has a processing plant which is on care and maintenance, while the Coolgardie gold project has received all mining permits. As at the time of the acquisition, PGO had JORC Code-compliant resource of approximately 2 million ounces at an average grade of 1.1 gram/ton gold and ore reserve of approximately 0.23 million ounces at an average grade of 3.9 gram/ton gold.

The Company has been the sole largest shareholder of PGO since 2014. Pursuant to the Company's established strategy, the Company has been proactively developed the precious metal sector, in an effort to create maximum value for the shareholders.

2. Other business in Australia

After completion of the disposal of the SXO Gold Project, the Company held some equity interests in several listed companies in Australia through Hanking Australia Investment. As at 30 June 2018, the fair value of these equity interests in these listed companies amounted to RMB7,080,000, representing a year-on-year decrease of 35.47%[Note]. Hanking Australia Investment is mainly engaged in investments in Australia.

3. Overview of the gold business

The gold business did not record any sales in the first half of 2018 as the PGO gold project was still under preparation for production. For the six months ended 30 June 2018, the capital expenditure for the acquisition of PGO assets was RMB204,177,000, representing a year-on-year increase of 143.92%.

Nickel Business

During the first half of the year, with strong support from the consumption of stainless steel and new energy vehicles, nickel prices in domestic and overseas markets were on an upward track, recording steady growth in both price and transaction volume. Shanghai Nickel Index closed at RMB117,680 per metric ton in mid of the year.

1. Cooperating with partners to develop nickel resources

KS and KKU, both being subsidiaries of the Company, have been cooperating with independent third parties to carry out the mining, production and trading of the nickel ores from the nickel mining area. All of the nickel ores will be sold within Indonesia, and KS and KKU shall share the profit generated from the sale of the nickel.

Note: The acquisition of PGO was completed during the current period, therefore, the previously-owned share value of PGO was deducted from the comparative data at the end of last year.

Affected by policy prohibiting raw ore export promulgated by the Indonesia government, production of the Company's nickel business was suspended in 2014. In light of the demands for nickel ore in Indonesia, the Company resumed production and trading of its nickel business in August 2017. However, the regulation that nickel ores mined in Indonesia can only be sold to the local market has resulted in a wide gap between the nickel prices in the Indonesian market and the international market where the international price was almost one time higher, leading to overall weak profitability of the nickel business as the sales price of nickel ores in the local Indonesian market was much lower than the price of imported laterite nickel ores in China. For the first half of 2018, the accumulative output of the nickel business was 183 thousand metric tons, including 176 thousand metric tons of nickel ores with a grade higher than 1.7%, and the sales volume of the nickel business amounted to 197 thousand metric tons, with the cash operation cost of RMB102 per metric ton.

2. Overview of the nickel business

In the first half of 2018, the average sales price of nickel ores produced by the Company was RMB187 per metric ton (production of the nickel business was suspended in the first half of 2017); revenue of the nickel business was RMB36,761,000; the gross profit margin was 40.67%; and the loss for the period was RMB12,542,000.

3. Resources and reserves

During the first half of 2018, there was no material change in the nickel ore resources and reserves held by the Group as compared to that at the end of 2017.

4. Significant subsequent events

On 5 July 2018, the Company entered into the Share Sale and Purchase Agreement with Tuochuan Capital Limited and Mr. Yang Jiye, pursuant to which the Company has agreed to sell, and Tuochuan Capital Limited has agreed to purchase, 70% equity interests of Hanking (Indonesia) for a total consideration of RMB350,000,000. Mr. Yang Jiye acted as the guarantor of Tuochuan Capital Limited, while Tuochuan (Hong Kong) Limited, a wholly-owned subsidiary of Tuochuan Capital Limited, pledged the 99% equity interests of Fushun Hanking Ginseng & Iron Trading Company Limited held by it to the Company. The transaction was considered and approved by the independent shareholders of the Company at the extraordinary general meeting held on 24 August 2018. Please refer to the announcements of the Company dated 5 July and 24 August 2018 respectively and the circular of the Company dated 6 August 2018 for details.

It is expected that the Company will record a premium of approximately RMB130,000,000 as a result of the disposal. As the purchaser of the transaction is a Controlling Shareholder of the Company, this transaction constitutes business combination under common control, thus the difference between the sales price and the profit attributable to the Company (i.e. the above-mentioned premium arising from the disposal) shall be credited to capital surplus. Accordingly, the Company will not record any profit or loss as a result of the disposal. Upon completion of the disposal, Hanking (Indonesia) will cease to be a non wholly-owned subsidiary of the Company and the financial results of Hanking (Indonesia) will not be consolidated into the accounts of the Company.

Approximately 50% of the proceeds from the disposal will be used for the development (including exploration, environment protection and pre-feasibility study) of the gold mine project of PGO (a gold mining company in Australia recently acquired by the Company) and the rest 50% will be used for the proposed acquisitions between the Company and identified potential sellers, which are still under negotiation. The Company will make further announcement pursuant to the Listing Rules in due course. If the proposed acquisition could not be materialized, such proceeds will be used to supplement the general working capital of the Company (such as expenses for underground mining and purchase of raw materials).

Affected by policy prohibiting raw ore export promulgated by the Indonesia government, mining and export activities of nickel business of the Company were suspended in 2014. In August 2017, in light of the demands for nickel ore in Indonesia, the Company resumed production in nickel business, producing aggregate approximately 259 thousand metric tons, and selling approximately 223 thousand metric tons of nickel ore in Indonesia. However, Hanking (Indonesia) remained in a loss-making position with losses of RMB39.6 million, RMB24.3 million and RMB26.9 million for the year 2015, 2016 and 2017 respectively, resulting in increase in its debt level as no cash flow was generated from its operation activity. The management of the Group holds the view that the disposal of Hanking (Indonesia) will help to improve the profitability of existing asset portfolio and optimize the assets and liabilities structure of the Company.

As the Company intends to develop or acquire mineral projects in other countries and regions, the management of the Group believes that the cash inflow from the disposal of Hanking (Indonesia) will provide financial support for the construction and acquisition of existing and potential mineral projects. Moreover, given the fact that the total foreign equity in the three project companies of Hanking (Indonesia), i.e. KP, KS and KKU, currently amounts to 83.5% which exceeds the foreign equity ceiling of 49% for mining companies in their tenth year after commencement of production as stipulated by the Indonesia law, the deadline for the Company's disposal of equity interests of Hanking (Indonesia) is November 2019 (being the tenth year after the commencement of production of Hanking (Indonesia) since November 2009). The Company has approached to, and negotiated with several independent third parties but did not enter into any final agreement with those potential purchasers, therefore, the management of the Group is of the opinion that the disposal of equity interests in Hanking (Indonesia) to the Controlling Shareholder is in the interest of the Company and its Shareholders as a whole and will entirely eliminate such legal risk exposure.

FINANCIAL REVIEW

1. Revenue, Cost of Sales, Gross Profit

For the first half of 2018, revenue from the Group's continuing operations was RMB601,701,000, representing an increase of RMB60,249,000 or 11.13% over the corresponding period of last year, mainly due to: 1) an increase of RMB42/metric ton in the sales price of iron ore concentrates over the corresponding period of last year, resulting in an increase in revenue of RMB37,769,000; and 2) the commencement of production and sales in nickel business from November 2017, achieving revenue of RMB36,761,000 for the first half of 2018.

For the first half of 2018, cost of sales incurred by the Group's continuing operations amounted to RMB343,630,000, representing an increase of RMB62,518,000 or 22.24% over the corresponding period of last year, mainly attributable to: 1) the increase in unit cost of sales of iron ore concentrates as compared to the corresponding period of last year, leading to an increase of RMB48,122,000 in cost of sales; and 2) the commencement of production and sales in nickel business from November 2017, leading to an increase of RMB21,810,000 in cost of sales.

For the first half of 2018, gross profit of the Group's continuing operations was RMB258,071,000, representing a decrease of RMB2,269,000 or 0.87% over the corresponding period of last year. As compared to the corresponding period of last year, gross profit margin of the Group's continuing operations decreased from 48.08% to 42.89% in the first half of 2018.

Analysis on the revenue by major products

	For the six months ended 30 June					
	2018			2017		
	RMB'000			*RMB'000*		
	Iron ore	**Nickel ore**	**Total**	Iron ore	Nickel ore	Total
Revenue	**564,940**	**36,761**	**601,701**	541,452	–	541,452
Cost of sales	**321,820**	**21,810**	**343,630**	281,112	–	281,112
Gross profit	**243,120**	**14,951**	**258,071**	260,340	–	260,340
Gross profit margin	**43.03%**	**40.67%**	**42.89%**	48.08%	–	48.08%

2. Other Income, Other Gains and Losses

For the first half of 2018, other income from the Group's continuing operations was RMB3,508,000, representing an increase of RMB1,306,000 or 59.31% over the corresponding period of last year. Other income mainly represented interest income.

For the first half of 2018, other gains of the Group's continuing operations were RMB7,961,000, representing an increase of RMB6,979,000 or 710.69% over the corresponding period of last year, which was mainly attributable to the recognition of gain of RMB13,732,000 upon the completion of disposal of Xingzhou Mining during the current period and the increase in foreign exchange losses on foreign currency deposits due to fluctuations in exchange rate.

3. Distribution and Selling Expenses, Administrative Expenses

For the first half of 2018, the distribution and selling expenses of the Group's continuing operations were RMB23,744,000, representing an increase of RMB4,971,000 or 26.48% as compared to the corresponding period of last year, which was mainly due to the increase of RMB6,248,000 in distribution and selling expenses as a result of the commencement of production and sales in nickel business from November 2017. Selling and distribution expenses consisted of transportation expenses, labour expenses and others.

For the first half of 2018, the administrative expenses of the Group's continuing operations were RMB85,116,000, representing an increase of RMB8,692,000 or 11.37% 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 doubtful debt reserves and others.

4. Finance Costs and Income Tax Expense

For the first half of 2018, the finance costs of the Group's continuing operations were RMB46,804,000, representing a decrease of RMB12,857,000 or 21.55% as compared to the corresponding period of last year. Finance costs included bank borrowing interest expenses, discount expenses and other finance expenses and the amortization of the long-term payable discount charges. The decrease was mainly due to a decrease of RMB18,295,000 in interest expenses as a result of a decrease in bank borrowings, an increase of RMB12,891,000 in discount interest expenses as a result of an increase in discounting of bank acceptance bills, and a decrease of RMB7,453,000 in amortization of long-term payable discount charges as compared to the corresponding period of last year.

For the first half of 2018, the income tax credit of the Group's continuing operations was RMB19,792,000, representing a decrease of RMB73,540,000 or 136.82% over income tax expense for the corresponding period of last year. Income tax expense included the total amount of current tax payable and deferred tax. The decrease in income tax expense for the current period was mainly attributable to the restructuring of the iron ore business and the decrease in current income tax expense as a result of the deductible losses incurred upon the completion of disposal of Xingzhou Mining, and the increase in the current income tax credit as a result of the deferred tax assets recognized in respect of the timing differences arising from deductible losses, etc.

5. Changes in Fair Values of Available-for-Sale Investments

After the application of IFRS 9 Financial Instruments on 1 January 2018, the Group has classified the available-for-sale investments as financial assets at fair value through profit or loss in the consolidated statement of financial position, with the changes in fair value entirely recognised in the statement of profit or loss. For the first half of 2018, the Group recorded gains on changes in fair value of the available-for-sale investments of RMB6,930,000.

6. Profit and Total Comprehensive Income for the Period

Based on the reasons mentioned above, the profit for the period of the Group's continuing operations for the first half of 2018 was RMB133,668,000, representing an increase of RMB78,750,000 or 143.40% as compared to RMB54,918,000 recorded for the corresponding period of last year.

Profit for the period of the discontinued operations for the first half of 2017 was RMB765,028,000, which mainly represented the profit made in the first half of 2017 before the completion of disposal of the SXO Gold Project and the gains on the disposal of the SXO Gold Project.

Based on the profit for the period, and affected by the changes in fair values of receivables measured at fair value through other comprehensive income, foreign currency translation and so on, the total comprehensive income for the first half of 2018 was RMB119,196,000, representing a decrease of RMB733,301,000 or 86.02% as compared to the corresponding period of last year.

7. Property, Plant and Equipment, Inventories, Intangible Assets

As of 30 June 2018, the net value of property, plant and equipment of the Group was RMB837,156,000, representing a decrease of RMB28,265,000 or 3.27% as compared to that as at the end of the previous year.

As of 30 June 2018, the inventories of the Group were RMB84,416,000, representing a decrease of RMB5,253,000 or 5.86% as compared to that as at the end of the previous year.

As of 30 June 2018, the intangible assets of the Group were RMB851,076,000, representing an increase of RMB174,639,000 or 25.82% as compared to that as at the end of the previous year, which was mainly due to the increase in mining right and exploration assets following the completion of acquisition of PGO in Australia during the current period.

8. Trade and Other Receivables, Trade and Other Payables

As of 30 June 2018, trade receivables of the Group were RMB317,462,000, representing an increase of RMB100,018,000 over the end of last year, mainly attributable to the increase in the balance of trade receivables of the iron ore concentrates.

As of 30 June 2018, bills receivables of the Group (bank acceptance bills) were RMB322,301,000, representing a decrease of RMB100,771,000 over the end of last year, of which undiscounted bank acceptance bills were RMB78,835,000. Such bills can be discounted at any time to satisfy the need for cash.

As of 30 June 2018, other receivables of the Group were RMB329,401,000, representing an increase of RMB149,582,000 over the end of last year, which was mainly due to the recognition of the remaining disposal proceeds receivable amounting to RMB130,000,000 during the current period after the completion of disposal of Xingzhou Mining.

After the application of IFRS 9 Financial Instruments on 1 January 2018, the Group has classified the trade and bill receivables of the iron ore business as receivables at fair value through other comprehensive income based on the characteristics of the business model and contractual cash flow. The fair value and expected credit losses were assessed by the Group at the end of the reporting period, with the changes in the fair value included in other comprehensive income and the expected credit losses included in other gains and losses.

As of 30 June 2018, trade payables of the Group were RMB22,986,000, representing a decrease of RMB2,973,000 over the end of last year. As of 30 June 2018, bills payables of the Group were RMB23,500,000, representing a decrease of RMB5,000,000 over the end of last year. As of 30 June 2018, other payables of the Group were RMB158,639,000, representing a decrease of RMB290,989,000 over the end of last year, which was mainly due to the decrease of RMB230,000,000 in other payables as a result of the completion of disposal of Xingzhou Mining.

9. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows for the first half of 2018 is set out below:

	For the six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Net cash flows from operating activities	**186,926**	155,857
Net cash flows from investing activities	**-265,475**	874,744
Net cash flows from financing activities	**-248,130**	-713,834
Net increase in cash and cash equivalents	**-326,679**	316,767
Cash and cash equivalents at the beginning of the period	**394,911**	70,162
Assets reclassified as held for sale	**–**	-6,113
Effect of changes in foreign exchange rate on cash and cash equivalents	**-2,836**	-1,114
Cash and cash equivalents at the end of the period	**65,396**	379,702

The net cash inflow from operating activities during the first half of 2018 was RMB186,926,000. The amount was mainly attributed to the profit before tax of RMB113,876,000, together with depreciation and amortization of RMB83,959,000, and finance costs of RMB46,804,000, which were offset by a decrease of RMB41,194,000 in payables and a gain on disposal of Xingzhou Mining of RMB13,732,000.

For the first half of 2018, the net cash outflow from investing activities amounted to RMB265,475,000. The amount mainly included the amount of RMB169,988,000 used in the acquisition of PGO in Australia, the amount of RMB78,131,000 used in the acquisition of new plants and equipment, etc. and acquisition of properties in order to expand production capacity and improve technology and the amount of RMB18,209,000 used in the acquisition of intangible assets.

For the first half of 2018, the net cash outflow from financing activities was RMB248,130,000, which was mainly from the newly added bank borrowings of RMB235,236,000, the repayment of bank loans of RMB426,155,000, the settlement of loan interest of RMB42,249,000 and the payment of dividend of RMB14,962,000.

10. Cash and Borrowings

As of 30 June 2018, bank balance and cash of the Group amounted to RMB65,396,000, together with pledged and restricted bank deposits of RMB56,095,000, representing a decrease of RMB322,668,000 or 72.65% as compared to the end of last year.

As of 30 June 2018, the balance of bank borrowings of the Group was RMB1,415,000,000, representing a decrease of RMB192,307,000 as compared to the end of last year. After deducting all margin loans, the balance of bank borrowings was RMB820,000,000. 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. The Directors have confirmed that, save as disclosed above, there was no material change in the debts and contingent liabilities of the Group since 31 December 2017.

11. Gearing Ratio

The gearing ratio, as calculated by dividing total liabilities by total assets, of the Group decreased from 64.35% on 31 December 2017 to 57.44% on 30 June 2018.

12. Major Risks

Commodity price risk: The prices of the Group's products are influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of non-ferrous metals is also affected by the global and PRC economic cycles as well as the fluctuations of the global currency markets. Both the international and domestic market prices of non-ferrous metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity prices may materially affect the turnover and the comprehensive income of the Group.

State policy risk: the Group owns assets in China, Australia and Indonesia which may amend their policies according to any changes in macro situation from time to time. Changes in policies are beyond the control of the Group, which may have a material effect on the operation of the Group.

Interest rate risk: 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.

Foreign exchange risk: Up to the date of this announcement, the reporting currency of the Group was RMB. Since RMB is not freely convertible, the risk that the Chinese government may take measures to interfere 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. In addition, the Group owns assets in Indonesia and Australia. Their assets and liabilities are denominated in Indonesian Rupiah and AUD respectively, which are subject to fluctuation in the foreign exchange rate and affect net assets value and profit of the Group to some extent. The management of the Group will continue to monitor the currency matching between the revenue and costs of the Group and exchange risks, and may consider taking appropriate measures to hedge material exchange risks when necessary.

13. Pledge of Assets and Contingent Liabilities

Some of the bank borrowings of the Group are secured by the mining rights certificates. As of 30 June 2018, the aggregate net carrying value of the pledged mining rights amounted to RMB33,459,000.

As of 30 June 2018, the Group had no material contingent liabilities.

14. Capital Commitment

As at 30 June 2018, the capital commitment of the Group was RMB83,866,000, representing an increase of RMB18,478,000 or 28.26% over that of the end of last year. The capital commitment mainly consisted of the amount of RMB29,016,000 for the construction work of the processing plant of Maogong Mine, the amount of RMB28,925,000 for the underground mining works of Shangma Mine, as well as the amount of RMB25,170,000 for the construction work and equipment of the green building materials project.

15. Capital Expenditure

The Group's capital expenditure increased from approximately RMB117,518,000 in the first half of 2017 to approximately RMB236,572,000 in the first half of 2018. Expenditure incurred in the first half of 2018 mainly included (i) expenditure for acquisition of plants, machine equipment and properties amounting to RMB31,760,000; (ii) expenditure for acquisition of intangible assets amounting to RMB202,889,000; (iii) expenditure for acquisition of land amounting to RMB1,923,000. Among which, the expenditure for acquisition of intangible assets was mainly related to the increase in mining right and exploration assets as a result of the acquisition of PGO.

16. Significant Foreign Investments Held

Save for the equity interests in two companies listed on Australian Securities Exchange held by the Group, the Group did not hold any other significant investments as of 30 June 2018.

17. Material Acquisitions and Disposals of Subsidiaries and Associated Companies

In February 2018, Hanking Australia Investment, a subsidiary of the Company, and PGO, a company listed on the Australian Securities Exchange, through friendly negotiations, have entered into (i) the Bid Implementation Agreement (the "**BIA**"), under which Hanking Australia Investment has agreed to make a recommended conditional takeover bid for all of the issued shares of PGO at an offer price of AUD0.0575 cash per share; and (ii) in conjunction with the BIA, the Loan and Facility Agreement, pursuant to which Hanking Australia Investment has agreed to provide PGO with an AUD1.5 million unsecured loan facility to assist PGO fund its short term working capital needs and other approved project activities during the offer period. On 8 June 2018, the acquisition of all of PGO's shares was completed. The total consideration for the acquisition of PGO was AUD35,386,000. Please refer to the "Completion of acquisition of PGO gold project" on page 8 of this announcement for details.

Aoniu Mining, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with an independent third party on 13 April 2017 to dispose of all its equity interests in Xingzhou Mining. The total consideration of the disposal was 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. In the first half of 2018, the above-mentioned disposal was completed, and a gain on disposal of RMB13,732,000 was recognised by the Group, while the payment receivable amounting to RMB130,000,000 was included in other receivables.

Save as aforesaid, the Group had no other material acquisitions or disposals of subsidiaries and associated companies during the first half of 2018.

18. Significant Subsequent Events

On 5 July 2018, the Company entered into the Share Sale and Purchase Agreement with Tuochuan Capital Limited and Mr. Yang Jiye (as the guarantor), pursuant to which, the Company has agreed to sell, and Tuochuan Capital Limited has agreed to purchase, 70% equity interests of Hanking (Indonesia) for a total consideration of RMB350,000,000. It is expected that the Company will record a premium of approximately RMB130,000,000 as a result of the disposal. As the purchaser of the transaction is a Controlling Shareholder of the Company, this transaction constitutes business combination under common control, thus the difference between the sale price and the profit attributable to the Company (i.e. the above-mentioned premium arising from the disposal) shall be credited to capital surplus. Accordingly, the Company will not record any profit or loss as a result of the disposal. Upon completion of the disposal, Hanking (Indonesia) will cease to be a non wholly-owned subsidiary of the Company and the financial results of Hanking (Indonesia) will not be consolidated into the accounts of the Company. The transaction was considered and approved by the independent shareholders of the Company at the extraordinary general meeting held on 24 August 2018. Please refer to "Significant subsequent events" on page 10 of this announcement for details.

OTHERS

Corporate Governance

Save as disclosed herein, during the period from 1 January 2018 to 30 June 2018, the Company has complied with the remaining code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. Meanwhile, the Company has complied with most of the best practices as recommended therein.

With effect from 20 March 2018, Mr. Yang Jiye, the chairman of the Board of the Company, has assumed the role of CEO and President of the Company. Although this is not in compliance with the requirements under Rule A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the Company believes that vesting the roles of both chairman of the Board and CEO in Mr. Yang Jiye can provide strong and consistent leadership and enable more effective planning and better execution of long-term business strategies, which is beneficial to the overall development of the Company. The Company will decide whether to appoint another person as the CEO based on the business operation when appropriate.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules, and 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 enquiries have been made to all Directors and the relevant employees of the Company, who have confirmed that they have complied with the Model Code and the Company Guideline throughout the six months period ended 30 June 2018.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Audit Committee

During the period from 1 January 2018 to 30 June 2018, the Audit Committee comprised two independent non-executive Directors, namely Mr. Wang Ping (Chairman of the Audit Committee) and Dr. Wang Anjian, and one non-executive Director, namely Mr. Kenneth Jue Lee.

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 as set out in Appendix 14 to the Listing Rules, the terms of reference of the Audit Committee were approved and stated. The Audit Committee is primarily responsible for reviewing and monitoring the financial reporting, the risk management and the internal control of the Group, and reviewing the accounting policies, accounting standards and methods adopted by the Company with the management of the Company.

The Audit Committee, which has reviewed the 2018 interim results for the six months ended 30 June 2018 of the Company which has not been audited by independent auditors, believes that the interim results have been prepared in accordance with the accounting standards, 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 2018.

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 2018 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 2018

		Six months ended 30 June	
		2018	2017
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue	*3A*	**601,701**	541,452
Cost of sales		**(343,630)**	(281,112)
Gross profit		**258,071**	260,340
Other income		**3,508**	2,202
Other gains and losses	*4*	**7,961**	982
Distribution and selling expenses		**(23,744)**	(18,773)
Administrative expenses		**(85,116)**	(76,424)
Finance costs		**(46,804)**	(59,661)
Profit before tax	*5*	**113,876**	108,666
Income tax credit (expense)	*6*	**19,792**	(53,748)
Profit for the period from continuing operations		**133,668**	54,918
Discontinued operation			
Profit for the period from discontinued operation		**–**	765,028
Profit for the period		**133,668**	819,946
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(11,547)**	12,492
Reclassification of cumulative translation reserve upon disposal of a foreign operation to profit or loss		**–**	19,944
Fair value (loss) gain on:			
– available-for-sale investments		**–**	115
– receivables measured at fair value through other comprehensive income ("**FVTOCI**")		**(2,925)**	–

	NOTES	Six months ended 30 June 2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Other comprehensive (expense) income for the period (net of tax)		**(14,472)**	32,551
Total comprehensive income for the period		**119,196**	852,497
Profit for the period attributable to owners of the Company:			
– Continuing operations		**138,203**	67,003
– Discontinued operation		**–**	763,636
Profit for the period attributable to owners of the Company		**138,203**	830,639
(Loss) profit for the period attributable to non-controlling interests			
– Continuing operations		**(4,535)**	(12,085)
– Discontinued operation		**–**	1,392
Loss for the period attributable to non-controlling interests		**(4,535)**	(10,693)
		133,668	819,946
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**125,726**	863,489
Non-controlling interests		**(6,530)**	(10,992)
		119,196	852,497
Earnings per share (RMB cent per share)	*10*		
From continuing and discontinued operations		**7.6**	45.4
From continuing operations		**7.6**	3.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	NOTES	**30 June 2018 *RMB'000* (Unaudited)**	31 December 2017 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**837,156**	865,421
Intangible assets		**851,076**	676,437
Prepaid lease payments		**122,045**	137,314
Available-for-sale investments		**–**	21,778
Financial assets at fair value through profit or loss ("**FVTPL**")		**7,080**	–
Deferred tax assets		**33,701**	10,189
Loan receivable		**11,300**	11,300
Deposit on acquisition of property, plant and equipment		**76,485**	49,199
Restricted deposits		**21,118**	3,797
		1,959,961	1,775,435
Current assets			
Inventories		**84,416**	89,669
Prepaid lease payments		**33,358**	29,761
Trade and other receivables	*11*	**332,177**	397,263
Bills receivables	*11*	**–**	423,072
Receivables at FVTOCI	*12*	**636,987**	–
Tax recoverable		**100**	339
Available-for-sale investments		**–**	406,794
Financial assets at FVTPL		**380,102**	–
Pledged bank deposits		**34,977**	45,451
Bank balances and cash		**65,396**	394,911
		1,567,513	1,787,260
Assets classified as held for sale	*7*	**–**	369,955
		1,567,513	2,157,215
Current liabilities			
Trade and other payables	*13*	**181,625**	475,587
Bills payables	*13*	**23,500**	28,500
Borrowings	*14*	**995,000**	1,151,887
Consideration payable		**34,442**	65,180
Tax liabilities		**64,766**	84,614
		1,299,333	1,805,768
Liabilities associated with assets classified as held for sale	*7*	**–**	23,687
		1,299,333	1,829,455
Net current assets		**268,180**	327,760
Total assets less current liabilities		**2,228,141**	2,103,195

	NOTES	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Capital and reserves			
Share capital	*15*	**149,137**	149,137
Reserves		**1,172,244**	1,066,320
Equity attributable to owners of the Company		**1,321,381**	1,215,457
Non-controlling interests		**179,851**	186,381
Total Equity		**1,501,232**	1,401,838
Non-current liabilities			
Borrowings	*14*	**420,000**	455,420
Consideration payable		**277,273**	241,100
Rehabilitation provision		**25,340**	1,580
Retirement benefit obligations		**1,484**	1,558
Deferred tax liabilities		**2,812**	1,699
		726,909	701,357
		2,228,141	2,103,195

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

1. BASIS OF PREPARATION

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. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("**IFRSs**") and except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Application of new and amendments to IFRS

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the International Accounting Standards Board which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurements of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014-2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

The new and amendments to IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments, the impacts on opening condensed consolidated statement of financial position arising from the application of all new standards are described as below.

2.1 *Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards, amendments and interpretation*

As a result of the changes in the entity's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item.

	31 December 2017 (Audited) *RMB'000*	IFRS 9 *RMB'000*	1 January 2018 (Restated) *RMB'000*
Non-current assets			
Available-for-sale investments	21,778	(21,778)	–
Financial assets at FVTPL	–	21,778	21,778
Deferred tax assets	10,189	1,612	11,801
Others with no adjustments	1,743,468	–	1,743,468
	1,775,435	1,612	1,777,047
Current assets			
Trade and other receivables	397,263	(208,304)	188,959
Bills receivables	423,072	(423,072)	–
Receivables at FVTOCI	–	624,924	624,924
Available-for-sale investments	406,794	(406,794)	–
Financial assets at FVTPL	–	406,794	406,794
Others with no adjustments	560,131	–	560,131
	1,787,260	(6,452)	1,780,808
Assets classified as held for sale	369,955	–	369,955
	2,157,215	(6,452)	2,150,763
Current liabilities			
Others with no adjustments	1,805,768	–	1,805,768
Liabilities associated with assets classified as held for sale	23,687	–	23,687
	1,829,455	–	1,829,455
Net current assets	**327,760**	**(6,452)**	**321,308**
Total assets less current liabilities	**2,103,195**	**(4,840)**	**2,098,355**
Capital and reserves			
Share capital	149,137	–	149,137
Reserves	1,066,320	(4,840)	1,061,480
Equity attributable to owners of the Company	1,215,457	(4,840)	1,210,617
Non-controlling interests	186,381	–	186,381
Total Equity	**1,401,838**	**(4,840)**	**1,396,998**
Non-current liabilities			
Others with no adjustments	701,357	–	701,357
	2,103,195	**(4,840)**	**2,098,355**

3A. REVENUE FROM GOODS

Disaggregation of revenue

	For the six months ended 30 June 2018		
	Iron	**Nickel**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Types of goods (recognised at a point in time)			
Iron ore concentrates	**563,942**	**–**	**563,942**
Raw nickel	**–**	**36,761**	**36,761**
Raw and leftover materials	**998**	**–**	**998**
Total	**564,940**	**36,761**	**601,701**
Geographical markets			
Mainland China	**564,940**	**–**	**564,940**
Indonesia	**–**	**36,761**	**36,761**
Total	**564,940**	**36,761**	**601,701**

3B. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the geographical information of the operations and products. The principal of the Group are iron ore and nickel ore in the PRC and Indonesia 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 chief executive officer, being the chief operating decision maker ("**CODM**"), to make decisions about resources allocation and performance assessment.

An operating segment regarding gold business (the "**Gold Business**") was discontinued in the previous interim period along with the completion of the Group's disposal of Hanking Australia with its subsidiaries during the six months period ended 30 June 2017. However, the Group resumed its operation in the Gold Business upon the successful acquisition of Primary Gold Limited ("**PGO**"), an independent third party and a public company listed on Australian Securities Exchange, in this current interim period. Further details are set out in note 8.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2018

Continuing operations

	Iron *RMB'000*	**Nickel** *RMB'000*	**Gold** *RMB'000*	**Total** *RMB'000*
Segment revenue (all from external sales)	**564,940**	**36,761**	**–**	**601,701**
Segment profit (loss)	**146,662**	**(12,542)**	**(5,956)**	**128,164**
Central administration costs and directors' salaries				**(14,079)**
Other income and other gains and losses				**(209)**
Group's profit before tax from continuing operations				**113,876**

Six months ended 30 June 2017

Continuing operations

	Iron *RMB'000*	Nickel *RMB'000*	Total *RMB'000*
Segment revenue (all from external sales)	541,452	–	541,452
Segment profit (loss)	175,996	(28,907)	147,089
Recognition of share-based payment			(3,523)
Central administration costs and directors' salaries			(14,620)
Finance costs			(3,335)
Other income and other gains and losses			(16,945)
Group's profit before tax from continuing operations			108,666

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	30/06/2018	31/12/2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Continuing operations		
Iron	**2,440,752**	2,833,932
Nickel	**837,290**	852,888
Gold	**219,133**	-
Total segment assets	**3,497,175**	3,686,820
Unallocated		
Property, plant and equipment	**20**	1,573
Available-for-sale investments	**–**	21,778
Financial assets at FVTPL	**7,080**	–
Restricted deposits	**–**	666
Inventories	**–**	85
Trade and other receivables	**2,545**	1,908
Bank balances and cash	**20,654**	219,820
Consolidated assets	**3,527,474**	3,932,650

Segment liabilities

	30/06/2018	31/12/2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Continuing operations		
Iron	**1,642,204**	2,159,062
Nickel	**272,449**	352,825
Gold	**111,002**	–
Total segment liabilities	**2,025,655**	2,511,887
Unallocated		
Other payables	**587**	4,684
Tax liabilities	**–**	14,241
Consolidated liabilities	**2,026,242**	2,530,812

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, available-for-sale investments, financial assets at FVTPL, restricted deposits, inventories, trade and other receivables and bank balances and cash used and held by the headquarter; and

- all liabilities are allocated to operating segments other than other payables and tax liabilities of the headquarter.

4. OTHER GAINS AND LOSSES

Continuing operations

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	**244**	454
Cumulative gain on disposal of available-for-sale investments reclassified from investments revaluation reserve	**–**	6,449
Fair value gain on financial assets at FVTPL	**6,930**	–
Impairment loss of available-for-sale investments	**–**	(5,092)
Net foreign exchange (loss) gain	**(7,408)**	738
Gain on disposal of Fushun Hanking Xingzhou Mining Co., Ltd ("Xingzhou Mining") *(note 7)*	**13,732**	–
Others	**(5,537)**	(1,567)
	7,961	982

5. PROFIT FOR THE PERIOD – CONTINUING OPERATIONS

Profit for the period from continuing operations has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories recognised as an expense	**307,931**	232,544
Auditors' remuneration	**500**	500
Release of prepaid lease payments	**13,558**	14,240
Depreciation and amortisation:		
– Property, plant and equipment	**46,915**	55,994
– Intangible assets	**23,486**	17,782
Total depreciation and amortisation	**70,401**	73,776
Capitalised in inventories	**(7,191)**	(7,242)
	63,210	66,534
Staff costs (including directors):		
– Salary and other benefits	**49,600**	40,752
– Retirement benefits scheme contributions	**5,790**	5,739
– Share-based payment	**–**	3,523
Total staff costs	**55,390**	50,014
Capitalised in inventories	**(3,201)**	(3,323)
	52,189	46,691

6. INCOME TAX (CREDIT) EXPENSE

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Income tax expenses comprise:		
PRC enterprise income tax ("**EIT**") – current	**646**	41,925
(Over) under provision of EIT in prior years	**(234)**	4,933
	412	46,858
Deferred tax (credit) charge *(note)*	**(20,204)**	6,890
Income tax (credit) expense relating to continuing operations	**(19,792)**	53,748

Note: During the current interim period, deferred tax assets of approximately RMB21,317,000 are recognised in respect of tax losses.

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% (2017: 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) Mining Limited ("**Hanking (Indonesia)**") were incorporated in the British Virgin Islands ("**BVI**") and are not subject to income tax of any jurisdiction during the current and last interim periods.

China Hanking (Hong Kong) Limited ("**Hanking HK**"), Denway Development Limited, City Globe Limited and Harvest Globe Limited were incorporated in Hong Kong and Hong Kong profits tax rate is 16.5% (2017:16.5%).

Subsidiaries of Hanking (Indonesia) were incorporated in Indonesia and Indonesia profits tax rate is 25% (2017: 25%). They are no assessable profits subject to Indonesia profits tax during the current and last interim periods.

7. DISPOSAL OF A SUBSIDIARY

On 13 April 2017, the board of the Company announced that Fushun Hanking Aoniu Mining Co., Ltd ("**Aoniu Mining**"), a wholly-owned subsidiary of the Company, entered into a conditional equity interest transfer agreement with an independent third party to dispose the Group's 100% equity interest in Xingzhou Mining.

The assets and liabilities attributable to Xingzhou Mining, which were expected to be sold within twelve months, were classified as assets and liabilities associated with assets classified as held for sale and were separately presented in the consolidated statement of financial position as at 31 December 2017.

The disposal was completed during the current interim period. A disposal gain of RMB13,732,000 was recognised. Among the total consideration of RMB360,000,000, RMB130,000,000 was not yet settled by the buyer and included in "other receivables" as at 30 June 2018. The consideration receivable is unsecured, interest free, and repayable on demand.

8. ACQUISITION OF A SUBSIDIARY

On 20 February 2018, Hanking Australia Investment Pty Ltd ("**Hanking Australia Investment**"), a subsidiary of the Group, made a recommended off-market "all cash" open offer ("**Open Offer**") for PGO, a public company listed on the Australian Securities Exchange. As of 8 June 2018, HGM Resources Pty Ltd, a wholly owned subsidiary of Hanking Australia Investment, has acquired all the remaining 594,702,000 shares of PGO at a consideration of AUD0.0575 per share, totaling AUD34,195,000 (equivalent to approximately RMB166,767,000). Since then, PGO became a subsidiary of the Group.

Since PGO currently held exploration and evaluation assets interests in three gold projects in western and northern Australia, all of which were not yet in operation, and this acquisition transaction is accounted for as an asset acquisition accordingly.

Assets and liabilities recognised at the date of acquisition:

	RMB'000 (Unaudited)
Property, plant and equipment	1,208
Intangible assets	198,444
Restricted deposits	13,776
Trade and other receivables	1,232
Bank balances and cash	2,585
	217,245
Trade and other payables	(6,243)
Rehabilitation provision	(23,903)
	(30,146)
Consideration transferred	
Cash consideration paid	166,767
Directly attributable cost of acquisition	5,806
Fair value of 51,800,000 shares of PGO previously owned and classified as financial assets at FVTPL	14,526
Total consideration	187,099

9. DIVIDENDS

During the current interim period, a dividend of HK$0.01 per share amounting to HK$18,300,000 (equivalent to RMB14,962,000) in aggregate in respect of the year ended 31 December 2017 (2017: nil in respect of the year ended 31 December 2016) was declared and paid to the owners of the Company whose names appeared in the Register of Members on 1 June 2018.

During the six months period ended 30 June 2017, a special dividend of HK$0.2 per share amounting to HK$366,000,000 (equivalent to RMB319,774,000) in aggregate in respect of the disposal of Gold Business was declared and paid to the owners of the Company whose names appeared in the Register of Members on 26 May 2017.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

From continuing and discontinued operations

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended	
	30 June 2018	30 June 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period from continuing and discontinued operations attributable to owners of the Company	**138,203**	830,639
Less: profit for the period from discontinued operation attributable to owners of the Company	**–**	(763,636)
Profit for the period from continuing operations attributable to owners of the Company, for the purposes of basic earnings per share	**138,203**	67,003

Number of shares

	Number of shares 30 June 2018 and 2017
Number of ordinary shares for the purposes of basic earnings per share	1,830,000,000

From discontinued operation

Basic earnings per share for the discontinued operation is RMB41.7 cents per share for the six months ended 30 June 2017, based on the profit for the period from the discontinued operation of RMB763,636,000 and the denominators detailed above for basic earnings per share.

Diluted earnings per share presented is the same as basic earnings per share as the Company did not have dilutive potential ordinary shares in issue in both six months ended 30 June 2018 and 2017.

11. TRADE AND OTHER RECEIVABLES, AND BILLS RECEIVABLES

(A) Trade and other receivables

The Group allows an average credit period of 7 days to its customers of iron ore concentrates and nickel ore.

	30 June 2018 *RMB'000* **(Unaudited)**	31 December 2017 *RMB'000* (Audited)
Trade receivables *(note a)*		
– Within 7 days	**–**	85,560
– 8 days to 90 days	**2,776**	130,311
– 91 days to 1 year	**–**	1,573
	2,776	217,444
Other receivables *(note c)*		
– Advances to suppliers	**23,572**	8,830
– Deposits *(note b)*	**29,979**	44,590
– Deposit for resource tax	**86,786**	102,726
– Other tax recoverable	**922**	1,107
– Value-added tax recoverable	**8,656**	5,475
– Staff advance	**11,804**	6,739
– Consideration receivable *(note 7)*	**130,000**	–
– Loans to an independent third party	**23,097**	–
– Others	**14,585**	10,352
Total other receivables	**329,401**	179,819
Total trade and other receivables	**332,177**	397,263

Notes:

(a) The aged analysis of trade receivables, of which no allowance for doubtful debts had been recognised, was presented based on the invoice date at the end of the reporting period.

(b) The amount represented various environment protection deposits required under the relevant PRC regulation for fulfilling the environment obligation during the mining process and other deposits related to the mining operations of the Group.

(c) Movement of allowance for other receivables for the six months ended 30 June 2018 under IFRS 9

	Collective provision *RMB'000*	**Stage 1 Collective provision 12-month expected credit loss ("ECL")** *RMB'000*	**Stage 2 Collective provision lifetime ECL not credit-impaired** *RMB'000*	**Stage 3 Individual provision lifetime ECL credit-impaired** *RMB'000*	**Total** *RMB'000*
As at 31 December 2017	143,294	–	–	–	143,294
Effect arising from adoption of IFRS 9	(143,294)	–	–	143,656	362
As at 1 January 2018 and 30 June 2018	–	–	–	143,656	143,656

(B) Bills receivables

	31 December 2017 *RMB'000* (Audited)
Bills receivables *(note)*	423,072

Note: On 1 January 2018, the Group adopted IFRS 9 "*Financial Instruments*". As part of the Group's cash flow management, substantial part of the bills receivables held by the Group were managed within a business model whose objective is both to collect the contractual cash flows and to sell the bills receivables by discounting some of the bills to financial institutions and endorsing some of them to suppliers before the bills are due for payment, and derecognising the bills discounted and endorsed on the basis that the Group has transferred substantially all risks and rewards to the relevant counterparties. Therefore, these bills receivables were subsequently classified as trade receivables supported by bills and measured at FVTOCI which are included in note 12.

When the trade receivables become due, certain of the Group's customers would arrange settlement by issuing bills to the Group. The Group would then analyse its working capital needs, and consider certain amount of which to be discounted to the banks as to obtain immediate funding for the Group's general working capital purpose or to endorse the bills to settle the Group's trade payables.

As at 31 December 2017, the Group's bills receivables were issued by banks with the following maturity.

	31 December 2017 *RMB'000* (Audited)
Within 6 months	293,072
6 months to 1 year	130,000
	423,072

As at 31 December 2017, included in the Group's bills receivables were amounts of RMB245,164,000 being transferred to certain banks by discounting the bills on a full recourse basis. If the bills receivables were not paid on maturity, the banks had the right to request the Group to pay the unsettled balance. As the Group had not transferred the significant risks and rewards relating to the bills receivables, it continued to recognise the full carrying amount of the bills receivables and had recognised the cash received as bank borrowings from discounting of the bills receivables with full recourse. The financial asset was carried at amortised cost in the consolidated statement of financial position. Such bills of the Group had been pledged as securities for obtaining the bank borrowings as at 31 December 2017.

12. RECEIVABLES AT FVTOCI

	30 June 2018
	RMB'000
	(Unaudited)
Receivables at FVTOCI comprise:	
Trade receivables	**322,301**
Trade receivables supported by bills *(note a)*	**314,686**
	636,987
The aged analysis of receivables at FVTOCI: *(note b)*	
– Within 7 days	**73,165**
– 8 days to 90 days	**102,461**
– 91 days to 1 year	**292,450**
– 1 year to 2 years	**168,911**
	636,987

Notes:

(a) Included in the Group's trade receivables supported by bills are amounts of RMB237,542,000 being transferred to certain banks by discounting the bills on a full recourse basis and RMB5,924,000 being endorsed to certain suppliers on a full recourse basis. If the bills are not paid on maturity, the banks and the suppliers have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the receivables supported by bills, it continues to recognise the full carrying amount of the receivables and has recognised the cash received as bank borrowings from the discounting of the bills and as payables from the endorsement of the bills with full recourse. The financial asset is carried at fair value in the condensed consolidated statement of financial position. The bills of the Group discounted had been pledged as securities for obtaining the bank borrowings as at 30 June 2018.

(b) The aged analysis of receivables at FVTOCI, net of fair value remeasurement under the requirement of IFRS 9, was presented based on the invoice date at the end of the reporting period.

13. TRADE AND OTHER PAYABLES, AND BILLS PAYABLES

Payment terms with suppliers are mainly on credit within 90 days from the time when the goods are received from suppliers.

	30 June 2018 *RMB'000* **(Unaudited)**	31 December 2017 *RMB'000* (Audited)
Trade payables *(note a)*		
– Within 90 days	**11,392**	13,307
– 91 days to 1 year	**9,532**	10,385
– 1 year to 2 years	**928**	971
– 2 years to 3 years	**454**	439
– Over 3 years	**680**	857
	22,986	25,959
Other payables		
Advance from customers	**1,122**	127
Other tax payable	**21,107**	44,252
Payable for acquisition of property, plant and equipment	**55,158**	75,451
Payable for acquisition of prepaid lease payments	**2,944**	6,243
Payable for mining rights	**–**	13,764
Outsourced service payable	**13,756**	14,569
Transportation fee payable	**9,747**	6,609
Accrued expense	**2,740**	7,975
Salary and bonus payables	**11,130**	6,788
Interest payable	**1,149**	1,644
Refundable deposits received *(note b)*	**5,847**	235,227
Loans from independent third parties *(note c)*	**22,705**	20,274
Others	**11,234**	16,705
	158,639	449,628
Total trade and other payables	**181,625**	475,587

Notes:

(a) The aged analysis of trade payables was presented based on the date of the goods received at the end of the reporting period.

(b) The refundable deposits as at 31 December 2017 included mainly the refundable deposits of RMB230,000,000 received in respect of the Group's proposed disposal of Xingzhou Mining. The deposits have been transferred into consideration upon the completion of the disposal during the current interim period.

(c) The loans were advanced by the independent third parties to PT Konutara Sejati and PT Karyatama Konawe Utara, which are unsecured, interest-free and repayable on demand. The loans are provided to the Group in order to support the resumption of the Group's nickel business in Indonesia.

At the end of both reporting periods, the Group's bills payables were issued by banks with the following maturity.

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**3,500**	14,000
6 months to 1 year	**20,000**	14,500
	23,500	28,500

14. BORROWINGS

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank loans	**1,415,000**	1,579,454
Other loans *(note a)*	**–**	27,853
	1,415,000	1,607,307
Secured	**1,235,000**	1,427,307
Unsecured	**180,000**	180,000
	1,415,000	1,607,307
Fixed-rate	**1,415,000**	1,579,454
Floating-rate	**–**	27,853
	1,415,000	1,607,307
Carrying amount repayable *(note b)*:		
Due within one year	**995,000**	1,151,887
More than one year, but not more than two years	**420,000**	455,420
	1,415,000	1,607,307

Notes:

(a) It represented loans advanced from a government authority for purchase of mining rights. The loan carries interest at the benchmark interest rate issued by the People's Bank of China ("**PBOC**") and was repayable within two years.

(b) The amounts are based on scheduled repayment dates set out in the respective loan agreements.

The ranges of effective interest rate of the Group's interest-bearing borrowings are as follows:

	30 June 2018	31 December 2017
	%	*%*
	(Unaudited)	(Audited)
Fixed-rate borrowings	**4.35-6.09**	4.35-6.09
Variable-rate borrowings	**N/A**	4.75

At 31 December 2017, the Group had variable rate borrowings which carried interest based on the benchmark interest rate issued by PBOC or London Interbank Offered Rate ("**LIBOR**"). Interest was reset every one month, three months, six months or one year.

The unsecured bank borrowings of approximately RMB180,000,000 (31 December 2017: RMB180,000,000) at 30 June 2018 were guaranteed by Ms. Yang Min, a controlling shareholder of the Company, Mr. Yang Jiye and the companies controlled by Ms. Yang Min.

Ms. Yang Min and Mr. Yang Jiye, son of Ms. Yang Min, together with the companies controlled by them, provided guarantee for secured bank borrowings of the Group of approximately RMB1,235,000,000 (31 December 2017: RMB690,000,000).

15. SHARE CAPITAL

The amount as at 30 June 2018 and 31 December 2017, represented the issued share capital of the Company, details of movement of share capital of the Company are as follows:

	Number of shares	**Share capital**	**RMB equivalent**
		HK$'000	*RMB'000*
Ordinary shares of HK$0.1 each			
Authorised:			
At 1 January 2017, 31 December 2017 and 30 June 2018	10,000,000,000		
Issued and fully paid:			
At 1 January 2017, 31 December 2017 and 30 June 2018	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 Co., Ltd (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
"AUD"	the lawful currency of Australia
"Australia"	The Commonwealth of Australia
"Board"	the board of Directors of the Company
"BVI"	British Virgin Islands
"China" or "PRC"	the People's Republic of China. For the purpose of this announcement, references in this announcement to the PRC or China do not include Hong Kong, Macau Special Administrative Region and Taiwan
"City Globe"	City Globe Limited, a limited liability company incorporated in Hong Kong which holds 75% equity interest in KP
"the Company" or "our Company" or "we"	China Hanking Holdings Limited (中國罕王控股有限公司)
"Controlling Shareholder(s)"	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to Ms. Yang Min, Mr. Yang Jiye, China Hanking (BVI) Limited, Bisney Success Limited, Best Excellence Limited and Tuochuan Capital Limited
"Denway Development"	Denway Development Limited, a limited liability company incorporated in Hong Kong which holds 75% equity interest in KS and KKU
"Directors"	the directors of the Company
"EBITDA"	the abbreviation of earnings before interest, taxes, depreciation and amortization

"Fushun Shangma"	Fushun Hanking Shangma Mining Company Limited (撫順罕王上馬礦業有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"the Group" or "Hanking"	China Hanking Holdings Limited and its subsidiaries
"Hanking Australia Investment"	Hanking Australia Investment Pty Ltd, a limited liability company established in Australia and a non wholly-owned subsidiary of the Company
"Hanking Green Building Materials"	Liaoning Hanking Green Building Materials Co., Ltd. (遼寧罕王綠色建材有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Hanking Group"	Hanking Group Co., Limited (罕王實業集團有限公司), a limited liability company established in the PRC on 4 April 1996, whose shares are held by Ms. Yang Min (88.96%) and other individuals. Hanking Group is a holding company controlled by a Controlling Shareholder
"Hanking (Indonesia)"	Hanking (Indonesia) Mining Limited, a limited company established in the BVI and a non wholly-owned subsidiary of the Company
"Harvest Globe"	Harvest Globe Limited (合龍有限公司), a limited liability company established in Hong Kong, a non wholly-owned subsidiary of Denway Development
"HGM"	HGM Resources Pty Ltd, a limited liability company established in Australia and a non wholly-owned subsidiary of the Company
"HMNS"	PT Hanking Makmur Nickel Smelt (罕王富域鎳冶煉有限公司), a limited company established in Indonesia and a non wholly-owned subsidiary of the Company
"HK$"	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
"Indonesian Rupiah"	the lawful currency of Indonesia

"JORC Code"	JORC Code, 2012 Edition as published by Australasian Joint Ore Reserves Committee
"KKU"	PT Karyatama Konawe Utara, a company established in Indonesia and an indirectly non wholly-owned subsidiary of the Company
"KP"	PT Konutara Prima, a company established in Indonesia and an indirectly non wholly-owned subsidiary of the Company
"KS"	PT Konutara Sejati, a company established in Indonesia and 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
"PGO"	Primary Gold Limited, a limited liability company established in Australia, which became a non wholly-owned subsidiary of the Company after 8 June 2018
"RMB"	the lawful currency of the PRC
"Shangma Mine"	located at Shangma Town, Fushun City, an iron mine operated through Fushun Shangma, a subsidiary of the Company
"Share(s)"	ordinary share(s) with a nominal value of HK$0.10 each in the share capital of the Company
"SXO"	located at Yilgarn goldfield in Western Australia (Southern Cross Operation, abbreviated as SXO)
"SXO Gold Project"	the Southern Cross Operation Gold Project located at Yilgarn goldfield in Western Australia, which was operated through the Company's subsidiary Hanking Gold Mining Pty Ltd before 20 April 2017
"United States"	the United States of America

"US$"	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
Yang Jiye
Chairman and executive Director

Shenyang, the PRC, 24 August 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Yang Jiye, 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, Dr. Wang Anjian and Mr. Ma Qingshan.