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**罕王**  
HANKING

## **CHINA HANKING HOLDINGS LIMITED**

### **中國罕王控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 03788)**

## **DISCLOSEABLE TRANSACTION INCREASE IN SHAREHOLDING IN CYGNET GOLD TO 93.37%**

### **THE ACQUISITIONS**

On 25 October 2024, Hanking Australia (through its wholly-owned subsidiary, Watkins Gold) agreed to acquire, and the Selling Cygnet Gold Shareholders agreed to transfer, the Sale Shares (representing in aggregate approximately 36.64% of the issued shares of Cygnet Gold) at the Purchase Price, which is equivalent to an aggregate consideration of approximately AUD19.4 million. Upon the completion of the Acquisitions, the shareholding of Hanking Australia (through its wholly-owned subsidiary, Watkins Gold) in Cygnet Gold will be increased from 56.72% to 93.37%.

Cygnet Gold is currently an indirect non wholly-owned subsidiary of the Company. Upon completion of the Acquisitions, Cygnet Gold will continue to be an indirect non wholly-owned subsidiary of the Company.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Acquisitions (taken together) exceeds 5% but is less than 25%, the Acquisitions (taken together) constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Cygnet Gold is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules. As a result, notwithstanding that one of the Selling Cygnet Gold Shareholders is a substantial shareholder of Cygnet Gold, such Selling Cygnet Gold Shareholder is not a connected person of the Company.

## **THE ACQUISITIONS**

### **Subject Matter**

On 25 October 2024, Hanking Australia (through its wholly-owned subsidiary, Watkins Gold) agreed to acquire, and the Selling Cygnet Gold Shareholders agreed to transfer, the Sale Shares (representing approximately 36.64% of the issued shares of Cygnet Gold) at the Purchase Price, which is equivalent to an aggregate consideration of approximately AUD19.4 million.

### **Consideration**

Pursuant to the terms of the Acquisitions, the Purchase Price is AUD0.2 per Sale Share. The Purchase Price was based on the commercial decision of the parties after taking into account that (i) the current resources of the Cygnet gold project owned by Cygnet Gold is approximately 1.38 million ounces at a grade of 3.9g/ton in accordance with the JORC Code; (ii) the current gold price in Australian Dollars is AUD4,160 per ounce, which has increased significantly since the beginning of 2024; and (iii) the Cygnet gold project is currently in the pre-development stage.

Taking into account the above, the Directors (including all independent non-executive Directors) consider that the terms of the Acquisitions are fair and reasonable and are on normal commercial terms, and the Acquisitions are in the interests of the Company and its shareholders as a whole.

The consideration for the relevant Sale Shares shall be payable in cash by Hanking Australia (through Watkins Gold) to the respective Selling Cygnet Gold Shareholders within 14 days after 25 October 2024. Completion of the Acquisitions shall take place immediately following the submission of the registration documents regarding the transfers of the Sale Shares to the relevant regulatory authority in Australia.

The consideration of the Acquisitions will be funded by the internal resources of the Group.

## **INFORMATION ON THE PARTIES**

### **The Company, Hanking Australia and Watkins Gold**

The Company was incorporated in the Cayman Islands on 2 August 2010, and was listed on the Stock Exchange on 30 September 2011 (stock code: 03788). The Group engages in the development of gold mine projects in Australia, and engages in the exploration, mining, processing and sale of iron ore and, relying on its own high-quality iron ore resources, produces the wind power ductile casting iron products in China to supply the high-quality raw materials for the new energy industry.

Hanking Australia is an Australian proprietary limited company established in Australia. As at the date of this announcement, it is a subsidiary held by the Company as to 94%. The remaining equity interest in Hanking Australia is held by Golden Resource Investment Pty Ltd ATF Golden Discovery

Holding Trust as to 3% and an Independent Third Party from Australia as to 3% as at the date of this announcement. Dr. Qiu Yumin is a director of Golden Resource Investment Pty Ltd ATF Golden Discovery Holding Trust. Hanking Australia primarily engages in investment holding.

Watkins Gold is an Australian proprietary limited company established in Australia. As at the date of this announcement, Watkins Gold is wholly-owned by Hanking Australia. It primarily engages in investment holding for developing gold mines.

### **Selling Cygnet Gold Shareholders**

UFG Gold is an Australian proprietary limited company established in Australia. As at the date of this announcement, UFG Gold primarily engages in investment holding. UFG Gold holds approximately 25.15% of the issued shares of Cygnet Gold before the Acquisitions. To the best of the Directors' knowledge and information, as at the date of this announcement, none of the shareholders of UFG Gold hold 10% or more of the issued shares of UFG Gold.

None of the remaining Selling Cygnet Gold Shareholders hold 5% or more of the issued shares of Cygnet Gold. The other Selling Cygnet Gold Shareholders except UFG Gold comprise 10 shareholders of Cygnet Gold, which include corporate investors, individual investors, trusts. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Selling Cygnet Gold Shareholders and their ultimate beneficial owners (to the extent the relevant Selling Cygnet Gold Shareholder is a corporate entity) are Independent Third Parties.

### **INFORMATION ON CYGNET GOLD**

Cygnet Gold is an Australian proprietary limited company established in Australia and a non wholly-owned subsidiary of the Company.

Cygnet Gold is based in Australia and is primarily engaged in gold exploration and gold mine development. As at the date of this announcement, Cygnet Gold holds a total of 48 mining and exploration tenements for North Southern Cross (NSX) gold projects including Golden Pig and Copperhead. The Cygnet gold project of Cygnet Gold currently has approximately 1.38 million ounces gold resources in accordance with JORC Code.

The shareholding structure of Cygnet Gold as at the date of this announcement and upon completion of the Acquisitions are set out below:

	<b>Immediately before completion of the Acquisitions (approximately)</b>	<b>Immediately after completion of the Acquisitions (approximately)</b>
Watkins Gold	56.72%	93.37%

	<b>Immediately before completion of the Acquisitions (approximately)</b>	<b>Immediately after completion of the Acquisitions (approximately)</b>
Dr. Qiu Yumin ( <i>Note</i> )	2.75%	2.75%
Selling Cygnet Gold Shareholders	36.64%	–
Other Cygnet Gold Shareholders (who are Independent Third Parties)	3.88%	3.88%
	<hr/>	<hr/>
Total	<u>100%</u>	<u>100%</u>

*Note:* The shareholding of Dr. Qiu Yumin in Cygnet Gold is held through (i) Golden Resource Investment Pty Ltd ATF Golden Discovery Holding Trust, as to approximately 0.75% of the issued shares of Cygnet Gold; and (ii) Qiu Family Super Ptd Ltd (as trustee of the Qiu Family Superannuation Fund, which is the family trust of Dr. Qiu Yumin), as to approximately 2.00% of the issued shares of Cygnet Gold. Dr. Qiu Yumin is the director and beneficiary of both Golden Resource Investment Pty Ltd ATF Golden Discovery Holding Trust and Qiu Family Super Ptd Ltd.

The audited net assets of Cygnet Gold as at 31 December 2023 was approximately AUD23,678,974, and the audited total assets of Cygnet Gold as at 31 December 2023 was approximately AUD23,838,027. The unaudited net assets of Cygnet Gold as at 30 June 2024 was approximately AUD23,678,947, and the unaudited total assets of Cygnet Gold as at 30 June 2024 was approximately AUD23,878,120. Further financial information of Cygnet Gold is set out as follows:

**For the period from 8 July 2022  
(date of incorporation of Cygnet Gold)  
to 31 December 2023 (*Note*)  
AUD  
(audited)**

Revenue	0
Loss before taxation	33,223
Loss after taxation	33,223

*Note:* As Cygnet Gold was incorporated on 8 July 2022, its first audited financial report covers the period from 8 July 2022 to 31 December 2023.

Upon completion of the Acquisitions, Cygnet Gold will continue to be a non wholly-owned subsidiary of the Company. Accordingly, the financial results, assets and liabilities of Cygnet Gold will continue to be consolidated into the consolidated financial statements of the Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group acquired an aggregate 56.72% of the issued shares of Cygnet Gold in 2023 by way of subscription of new shares of Cygnet Gold. Pursuant to the recent announcements and circular of the Company (including the announcements of the Company dated 5 July 2024 and 26 August 2024 and the circular of the Company dated 23 August 2024), it is the plan of the Group to focus its resources in both personnel and finance on the exploration, permitting, and feasibility studies for the development of the Cygnet gold project in Western Australia, potentially providing the Company with a faster pathway to become a gold producer. The Cygnet gold project of Cygnet Gold currently has approximately 1.38 million ounces gold resources in accordance with JORC Code. Upon completion of the Acquisitions, Hanking Australia's shareholding interests in Cygnet will be increased from 56.72% to 93.37%, thus the Company's gold resource holding will increase substantially and by implication, its unit management cost per ounce gold will be reduced accordingly. The total cost for the previous and current acquisitions for the aggregate of 93.37% of issued shares of Cygnet Gold is approximately AUD34.4 million, an equivalent of AUD24.9 per ounce gold resource on average in acquisition cost. Since the current gold price is AUD4,160 per ounce, obviously Cygnet Gold has significant value.

Prior to the completion of the Acquisitions, save for Watkins Gold and the entities held by Dr. Qiu Yumin, there were 14 other shareholders (including the 11 Selling Cygnet Shareholders) of Cygnet Gold, which may impose difficulty on the Group to acquire all their consents for future fund raising activities. As a result, the Company decided to acquire as many shares of Cygnet Gold as possible, in order to pave way for future fund raising and development of Cygnet Gold.

### **Implications under the Listing Rules**

As the highest applicable percentage ratio in respect of the Acquisitions (taken together) exceeds 5% but is less than 25%, the Acquisitions (taken together) constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Cygnet Gold is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules. As a result, notwithstanding that one of the Selling Cygnet Gold Shareholders is a substantial shareholder of Cygnet Gold, it is not a connected person of the Company.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings ascribed to them respectively:

“Acquisitions”	the acquisitions of the Sale Shares by Hanking Australia (through Watkins Gold) from the Selling Cygnet Gold Shareholders at the Purchase Price
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“AUD”	the lawful currency of Australia (Australian dollars)
“Board”	the board of directors of the Company
“Company”	China Hanking Holdings Limited (中國罕王控股有限公司), a limited company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the same meaning ascribed to it in the Listing Rules
“Cygnet Gold”	Cygnet Gold Pty Ltd, a proprietary limited company established in Australia and a non wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hanking Australia”	Hanking Australia Investment Pty Ltd, a proprietary limited company established in Australia and a non wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, who/ which is/are third party(ies) independent of the Company and its connected persons
“JORC”	Australasian Joint Ore Reserves Committee
“JORC Code”	JORC Code, 2012 Edition
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China
“Purchase Price”	the price of AUD0.2 per Sale Share at which the Acquisitions will be made in cash
“Sale Share(s)”	the aggregate of 96,900,100 shares of Cygnet Gold held by the Selling Cygnet Gold Shareholders which are subject of the Acquisitions

“Selling Cygnet Gold Shareholders”	an aggregate of 11 shareholders of Cygnet Gold (comprising corporate entities and individuals) which had agreed to sell the Sale Shares to Hanking Australia (through Watkins Gold) at the Purchase Price
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UFG Gold”	UFG Gold Pty Ltd, an Australian proprietary limited company established in Australia
“Watkins Gold”	Watkins Gold Pty Ltd, a proprietary limited company established in Australia and a wholly-owned subsidiary of Hanking Australia
“%”	percent

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

Shenyang, the PRC, 27 October 2024

*As at the date of this announcement, the executive Directors are Mr. Yang Jiye, Mr. Zheng Xuezhi, Dr. Qiu Yumin and Ms. Zhang Jing; the non-executive Directors are Mr. Xia Zhuo and Mr. Zhao Yanchao; and the independent non-executive Directors are Mr. Wang Ping, Dr. Wang Anjian and Mr. Zhao Bingwen.*