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罕王
HANKING

CHINA HANKING HOLDINGS LIMITED

中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

INSIDE INFORMATION

NON-BINDING INDICATIVE CASH OFFER TO ACQUIRE NEW GOLD PROJECT IN AUSTRALIA

This announcement is made by China Hanking Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company is pleased to announce that Hanking Australia Investment Pty Ltd (the “**Hanking Australia Investment**”), a subsidiary of the Company, has made a non-binding indicative cash offer to acquire 100% interest of the Coolgardie Gold Project from Australia listed mining company Focus Minerals Limited (ASX: FML) (“**FML**”) (the “**Possible Acquisition**”).

FML’s Coolgardie Gold Project (the “**Target Project**”) is adjacent to the Company’s McPherson’s Gold project at Coolgardie (the “**Hanking Coolgardie Project**”) which is located approximately 30 km from Kalgoorlie city and airport in Western Australia (see Figure 1). The world famous Kalgoorlie-Coolgardie district was one of the earliest and is still the most important gold production regions in Australia.

The Target Project includes approximately 235 km² mining and exploration tenements and a gold processing plant with an annual processing capacity of 1.2 million tons of ore. The Target Project was in gold production until August 2013 when it was put into care and maintenance. The tenements of the Target Project contain approximately 2.1 million ounces of gold in Australasian Joint Ore Reserves Committee resources, with both mineable open pit and underground deposits.

The Hanking Coolgardie Project has been fully permitted for mining and the Target Project's processing plant would provide the required ore processing capacity for both projects after some refurbishment. The successful acquisition of the Target Project is expected to deliver significant benefits for the Company, along with FML and other stakeholders, by realizing clear synergies between the two adjacent projects as well as the economy of scale and extended mine life.

The Company's confidence in expected synergies and value creation is based on the demonstrated success by the Company's Australia team in the Southern Cross Gold Operations project located at Yilgarn goldfield in Western Australia (the "**Southern Cross Gold Operations**") during 2013 to 2017 which created significant value for shareholders of the Company (the "**Shareholders**").

The total consideration in the non-binding indicative cash offer is AUD56 to 65 million, with the upfront payment of AUD12 million and the balance to be paid in tranches over 3.5 years from the completion of acquisition.

While the Company has substantial knowledge of the Target Project, the cash offer is a non-binding indicative offer, and remains subject to due diligence review and further negotiations before a binding asset sale agreement can be executed. As at the date of this announcement, no material terms concerning the Possible Acquisition have been agreed and the Company has not entered into any definitive agreement in relation to the Possible Acquisition.

Shareholders and potential investors of the Company are reminded that, should a binding asset sale agreement be executed, the proposed acquisition will be subject to the approval by the Australia Foreign Investment Review Board ("**FIRB**").

Given the Company has received FIRB approval when it acquired the Hanking Coolgaride Project as part of the acquisition of Primary Gold Limited (ASX:PGO) in 2018, and also received FIRB approval when it acquired the Southern Cross Gold Operations in 2013, the required FIRB approval is expected to be a matter of procedural process.

Hanking Australia Investment is being advised by Argonaut as financial adviser and Blackwall Legal as legal adviser. This Possible Acquisition is a part of the Company's long term strategy to become a substantial gold producer in Australia. The Company continues evaluating other gold project opportunities.

The board of directors of the Company will make further announcement as and when necessary in compliance with the Listing Rules and applicable laws.

Shareholders of the Company and other investors should note that the Possible Acquisition may or may not proceed and are advised to exercise caution when dealing in the shares of the Company.

By the order of the Board of directors
China Hanking Holdings Limited
Yang Jiye
Chairman and executive director

Shenyang, the PRC, 23 September 2019

As at the date of this announcement, the executive directors of the Company are Mr. Yang Jiye, Mr. Zheng Xuezhi and Dr. Qiu Yumin; the non-executive directors of the Company are Mr. Kenneth Jue Lee and Mr. Xia Zhuo; and the independent non-executive directors of the Company are Mr. Wang Ping, Dr. Wang Anjian and Mr. Ma Qingshan.

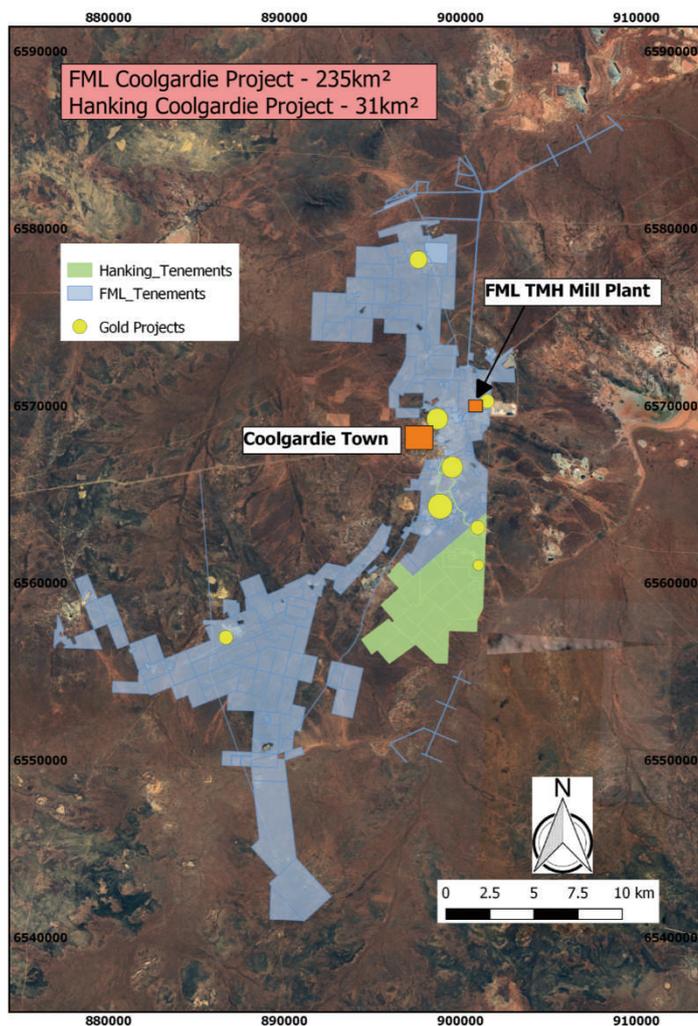


Figure 1. Map showing the locations of Target Project Tenements and Processing Plant and Hanking's Tenements in Coolgardie, Western Australia.