

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**CONNECTED TRANSACTION  
CAPITAL CONTRIBUTION TO HANKING AUSTRALIA INVESTMENT**

The Board is pleased to announce that on 24 August 2018 (after trading hours), the Company, Hanking Australia Investment, Dr. Qiu and Golden Resource entered into the Loan Capitalisation Agreement, so as to enhance the development capability of Hanking Australia Investment, enabling the company to push forward the development of the PGO gold project. Pursuant to the Agreement, the Company proposed to make additional capital contribution in an amount of AUD42,000,000 (equivalent to approximately RMB210,600,600) to Hanking Australia Investment. After completion of the Capital Increase, Hanking Australia Investment will still be held as to 97% by the Company and 3% by Golden Resource respectively, leaving the shareholding structure of Hanking Australia Investment unchanged.

**IMPLICATION OF THE LISTING RULES**

As Dr. Qiu is an executive Director of the Company, and Golden Resource is an associate of Dr. Qiu, both Dr. Qiu and Golden Resource are connected persons of the Company. Therefore, the Capital Increase contemplated under the Loan Capitalisation Agreement constitutes a connected transaction of the Company according to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Capital Increase is more than 0.1% but less than 5%, the Capital Increase is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirement.

## THE TRANSACTION

The Board is pleased to announce that the Company, Hanking Australia Investment, Dr. Qiu and Golden Resource entered into the Loan Capitalisation Agreement, the principal terms of which are set out as follows:

Date: 24 August 2018 (after trading hours)

Parties:

- (a) the Company
- (b) Hanking Australia Investment
- (c) Dr. Qiu Yumin
- (d) Golden Resource

Loan Capitalisation Agreement: Hanking Australia Investment is currently held as to 97% by the Company and 3% by Golden Resource respectively. The Company proposed to capitalise the loan in an amount of AUD42,000,000 (equivalent to approximately RMB210,600,600) owed by Hanking Australia Investment to the Company as at the date of the Agreement for the acquisition of the PGO gold project by Hanking Australia Investment into capital contribution to Hanking Australia Investment, which shall be credited to the capital reserve of Hanking Australia Investment, and the shareholding structure of Hanking Australia Investment shall remain unchanged.

Total consideration: The capital contribution to Hanking Australia Investment shall be in aggregate AUD42,000,000 (equivalent to approximately RMB210,600,600), of which the value of the 3% equity interests held by Golden Resource amounting to approximately AUD1,260,000 (equivalent to approximately RMB6,318,018).

Restrictions: After the completion date of the Capital Increase, Dr. Qiu shall continue to work at Hanking Australia Investment or any affiliated company designated by Hanking Australia Investment for at least five years, during which period both Dr. Qiu and Golden Resource shall not transfer any or all of the shares in Hanking Australia Investment. Should Dr. Qiu or Golden Resource fail to fulfill the aforesaid obligations, the Company shall be entitled to repurchase the 3% equity interests in Hanking Australia Investment held by Golden Resource at a consideration of AUD1,300,000 (equivalent to approximately RMB6,518,590), and both Dr. Qiu and Golden Resource shall be obliged to assist.

Completion date of the Capital Increase: The date on which Hanking Australia Investment has completed all the procedures for the Capital Increase in accordance with the relevant laws and regulations of Australia.

## **INFORMATION OF ALL PARTIES**

### **The Company**

The Company is an investment holding company. The Company is a fast-growing international mining and metals group of companies, mainly engaging in exploitation, mining, processing and sale of mineral resources. The principal operations of the Company is precious metals which is supplemented by other strategic metals.

### **Hanking Australia Investment**

Hanking Australia Investment is a company established in Australia, which is principally engaged in investment holding.

### **Dr. Qiu**

Dr. Qiu is an executive Director of the Company, and is also a director of Hanking Australia Investment and holds 3% shares of this company through Golden Resource.

### **Golden Resource**

Golden Resource is a company established in Australia, which is principally engaged in investment holding.

## **REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE**

The Company, through Hanking Australia Investment, completed the acquisition of all the shares of PGO on 8 June 2018. 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 Rustlers Roost gold project in the Northern Territory in northern Australia. 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 of the end of June 2018, 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. Therefore, the Company holds the view that the capital contribution to Hanking Australia Investment shall enhance the development capability of Hanking Australia Investment, enabling the company to push forward the development of the PGO gold project.

Furthermore, according to the Loan Capitalisation Agreement, Dr. Qiu shall continue to work at Hanking Australia Investment or any affiliated company designated by Hanking Australia Investment for at least five years after the completion date of the Capital Increase. Given that Dr. Qiu has very extensive experiences in exploitation and business development, and in order to ensure continuous services of Dr. Qiu at Hanking Australia Investment for further contributions, the Board considers that the capital contribution to Hanking Australia Investment by the Company is a reasonable arrangement.

The Directors (including the independent non-executive Directors) are of the opinion that although the Capital Increase is not carried out in the ordinary and usual course of business of the Group due to its nature, the terms of the transaction are entered into on normal commercial terms and are fair and reasonable as far as the Company and the shareholders are concerned, therefore the transaction is in the interests of the Group and the shareholders as a whole.

## **IMPLICATION OF THE LISTING RULES**

As Dr. Qiu is an executive Director of the Company, and Golden Resource is an associate of Dr. Qiu, both Dr. Qiu and Golden Resource are connected persons of the Company. Therefore, the Capital Increase contemplated under the Loan Capitalisation Agreement constitutes a connected transaction of the Company according to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Capital Increase is more than 0.1% but less than 5%, the Capital Increase is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirement.

As Dr. Qiu has material interest in the Capital Increase, he has abstained from voting on the Board resolution approving the Capital Increase. Save as disclosed above, none of the Directors has any material interest in the Capital Increase.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“AUD”	Australian dollars, the lawful currency of Australia
“Australia”	The Commonwealth of Australia
“Board”	the board of directors of the Company

“Capital Increase”	the additional capital contribution to Hanking Australia Investment made by the Company in accordance with the Loan Capitalisation Agreement
“Company”	China Hanking Holdings Limited(中國罕王控股有限公司), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange (stock code: 03788)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Qiu”	Dr. Qiu Yumin, an executive Director of the Company
“Golden Resource”	Golden Resource Pty Ltd, a company established in Australia with limited liability, which is controlled by Dr. Qiu
“Hanking Australia Investment”	Hanking Australia Investment Pty Ltd, a company established in Australia with limited liability and a non wholly-owned subsidiary of the Company
“JORC Code”	JORC Code, 2012 Edition as published by Australasian Joint Ore Reserves Committee
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Capitalisation Agreement”	the Loan Capitalisation Agreement dated 24 August 2018 entered into among the Company, Hanking Australia Investment, Dr. Qiu and Golden Resource in respect of the Capital Increase
“PGO”	Primary Gold Limited, a company established in Australia with limited liability and a non wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

In this announcement, the exchange rate AUD1.00 = RMB5.0143 has been used for currency conversions. This is for illustration purpose only, and does not constitute a representation that any amounts in AUD and RMB have been, could have been or may be converted at such rate or at any other exchange rates.

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.*