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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)

**COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE
TARGET COMPANY INVOLVING ISSUANCE OF CONSIDERATION
SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of China Hanking Holdings Limited (the “**Company**”) dated 12 November 2020 in respect of, the Purchaser and the Vendors entered into the Acquisition Agreement, pursuant to which the Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the entire issued share capital of the Target Company at a consideration of HK\$224 million to be settled by allotment and issuance of the Consideration Shares to the Vendors under general mandate.

Capitalised terms used herein shall have the same meanings as those defined in the announcement dated 12 November 2020 unless stated otherwise.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that as of the date of this announcement, all the conditions precedent set out in the Acquisition Agreement had been fulfilled and the completion had taken place (the “**Completion**”) in accordance with the terms and conditions of the Acquisition Agreement. Upon the Completion, the Target Group has become a wholly-owned subsidiary of the Company, and the annual production capacity of high-purity iron of the Company is expected to increase from 660 thousand metric tons to 910 thousand metric tons accordingly. The Company’s leading advantage in the high-purity iron market in China will be further expanded.

On 15 December 2020, a total of 140,000,000 Consideration Shares have been allotted and issued to the Vendors (being the allottees to the Consideration Shares) at the Issue Price of HK\$1.60 per Consideration Share pursuant to the Acquisition Agreement. The Consideration Shares were allotted and issued pursuant to the general mandate granted to the Board by the Shareholders at the AGM held on 28 May 2020.

The Consideration Shares represent (i) approximately 7.69% of the total issued Shares immediately before the Completion; and (ii) approximately 7.14% of the total issued Shares as enlarged by the allotment and issuance of the Consideration Shares immediately after the Completion.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after the allotment and issuance of the Consideration Shares upon the Completion are set out below for illustrative purpose only:

Name of Shareholders	Immediately before the allotment and issuance of the Considerations Shares		Immediately after the allotment and issuance of the Consideration Shares	
	No. of Shares	Approximate percentage of total issued Shares	No. of Shares	Approximate percentage of total issued Shares
Ms. Yang Min	206,025,000	11.32%	206,025,000	10.51%
Mr. Yang Jiye ⁽¹⁾	1,114,061,666	61.21%	1,114,061,666	56.84%
Mr. Xia Zhuo ⁽²⁾	19,190,589	1.05%	19,190,589	0.98%
Mr. Zheng Xuezhi ⁽³⁾	4,741,000	0.26%	4,741,000	0.24%
<i>Vendors:</i>				
Mr. Lu Zhanfeng	-	-	61,600,000	3.14%
Mr. Lu Zhizhuang	-	-	36,400,000	1.86%
China Huijing Holding Limited ⁽⁴⁾	-	-	14,000,000	0.71%
China Xinhui Holding Limited ⁽⁵⁾	-	-	14,000,000	0.71%
China Quanfeng Holding Limited ⁽⁶⁾	-	-	14,000,000	0.71%
Other public Shareholders	<u>475,981,745</u>	<u>26.15%</u>	<u>475,981,745</u>	<u>24.28%</u>
Total	<u><u>1,820,000,000</u></u>	<u><u>100%</u></u>	<u><u>1,960,000,000</u></u>	<u><u>100%</u></u>

Notes:

(1) Mr. Yang Jiye is an executive Director.

- (2) Mr. Xia Zhuo is a non-executive Director.
- (3) Mr. Zheng Xuezhi is an executive Director.
- (4) China Huijing Holding Limited is wholly owned by Ms. Zhang Jing.
- (5) China Xinhui Holding Limited is wholly owned by Mr. Liu Xinhui.
- (6) China Quanfeng Holding Limited is wholly owned by Mr. Tian Quanfeng.

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

Shenyang, the PRC, 15 December 2020

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 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.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.