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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the Group's unaudited accounts, the Group is expected to record a decrease of about 50% in the profit for the six months ended 30 June 2013 as compared to the profit for the corresponding period in 2012, which was mainly due to the preliminary expenses recorded in respect of the Acquisitions carried out by the Company in the first half of 2013, the decrease in selling price of iron concentrates as well as a one-off non-cash expense. Of the total, the impact of the Acquisitions accounts for approximately 40% of the decrease in profits, the decrease in selling price of iron concentrates of approximately 30% and the one-off expense attributable to the share award granted by the controlling shareholders to the management of approximately 10%.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Hanking Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The Group completed the acquisition of Fushun Hanking Shangma Mining Company Limited (“**Fushun Shangma**”) in 2012 and the acquisition of Northeast Lion Limited (“**Northeast Lion**”, the name of which was subsequently changed to Hanking (Indonesia) Mining Limited) in March 2013. As Fushun Shangma and Northeastern Lion are the common controlled entities of the actual controller of

the Group, according to the accounting policy of the Group, the combination accounting for the common controlled entities should be as if they had been combined from the date when the combined entity or businesses first came into under the control of the controller, therefore restate adjustment to the financial information for previous years of the Group is required.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the recently obtained restated and adjusted Financial Statements, the Group is expected to record a decrease of about 50% in the profit for the six months ended 30 June 2013 as compared to the profit for the six months ended 30 June 2012, which was mainly due to the preliminary expenses recorded in respect of the acquisition of the Indonesian Nickel Ore Project and the Australian Gold Mine Project (the “**Acquisitions**”) carried out by the Company in the first half of 2013, the decrease in selling price of iron concentrates as well as a one-off non-cash expense. Of the total, the impact of the Acquisitions accounts for approximately 40% of the decrease in profits, the decrease in selling price of iron concentrates of approximately 30% and the one-off expense attributable to the share award granted by the controlling shareholders to the management of approximately 10%.

In the second half of 2013, the Company’s subsidiaries, Aoni Mine and Maogong Mine, will bring additional capacities and the Board expects that the Group’s production and sales volume of iron ore concentrates will be significantly higher than that of the first half of the year. The Board expects that the Indonesian Nickel Ore Project will realize its sales income in the second half of the year. The Board expects that these will bring positive influence to the Company’s revenue and net profit. The Company will strictly control investment in fixed assets and maximize efforts of cutting costs in projects without cash flow contribution in the short term. The Company will adopt proactive and efficient measures to strictly control operating expenses and reduce management costs in all aspects.

The information contained in this announcement is only based on the preliminary assessment by the Board in accordance with the unaudited management accounts of the Group for the six months ended 30 June 2013, and is not based on any information or figures which have been audited or reviewed by the Company’s auditor and may be subject to possible adjustments. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2013 which is expected to be announced in August 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Hanking Holdings Limited
Yang Min
Chairlady and non-executive director

Shenyang, the PRC, 25 July 2013

As at the date of this announcement, the executive directors of the Company are Mr. Pan Guocheng, Mr. Zheng Xuezhi, Mr. Xia Zhuo and Mr. Qiu Yumin; the non-executive directors of the Company are Ms. Yang Min, Mr. Yang Jiye, Mr. Lan Fusheng and Mr. Kenneth Jue Lee; and the independent non-executive directors of the Company are Mr. Chen Yuchuan, Mr. Wang Ping, Mr. Johnson Chi-King Fu and Mr. Wang Anjian.