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)

CONTINUING CONNECTED TRANSACTIONS – IRON ORE CONCENTRATES SALE AGREEMENT; NEW BENXI IRON PROCESSING SERVICE AGREEMENT; NEW TRANSPORTATION SERVICE AGREEMENT AND NEW OFFICE LEASE AGREEMENT

Reference is made to the section headed "Connected Transactions – Non-exempt Continuing Connected Transactions" of the Prospectus in relation to, among others, the non-exempt continuing connected transactions of the Company under the Existing Agreements. Pursuant to the Existing Agreements, (i) the Company, through its subsidiaries, including Aoniu Mining and STSU, has sold iron ore concentrates to Fushun D.R.I.; (ii) Benxi Iron Processing has provided iron processing service to Benxi Mining; (iii) Aoniu Mining has engaged Mingcheng Transportation or its affiliate to provide iron ore concentrates transportation service; and (iv) Aoniu Mining and STSU have leased office premises and advertising sites from Shengtai Properties and engaged Shengtai Properties to provide properties management service. The transactions under the Existing Agreements constitute continuing connected transactions for the Company under the Listing Rules.

The Company has applied to the Stock Exchange, and the Stock Exchange has granted the Company, waivers from strict compliance with the announcement and (where applicable) independent shareholders' approval requirements of the Listing Rules for each of the non-exempt continuing connected transactions of the Company under the Existing Agreements. Pursuant to the Waivers, the non-exempt continuing connected transactions under the Existing Agreements are subject to the conditions that (i) the aggregate value of each of these non-exempt continuing connected transactions for each financial year will not exceed the relevant annual cap amount set forth in the Prospectus; and (ii) the Company will fully comply with the requirements under Chapter 14A of the Listing Rules for transactions to be conducted after 31 December 2013.

As the Group intends to continue to carry out the non-exempt continuing connected transactions under the Existing Agreements after 31 December 2013, on 15 October 2013, the New Agreements for a term of three years commencing from 1 January 2014 and ending on 31 December 2016 (both days inclusive) are entered into to replace the Existing Agreements. Save for the term of agreement and otherwise disclosed below, the principal terms of the New Agreements are same as that of the Existing Agreements in all material respects.

Since certain applicable percentage ratios relating to the proposed annual caps for the continuing connected transactions under the Iron Ore Concentrates Sale Agreement exceed 25%, the continuing connected transactions under the Iron Ore Concentrates Sale Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will seek the Independent Shareholders' approval for the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016) at the EGM.

Since all the applicable percentage ratios relating to the proposed annual caps for the continuing connected transactions under each of the New Benxi Iron Processing Service Agreement, the New Transportation Service Agreement and the New Office Lease Agreement exceed 0.1% but do not exceed 5%, the continuing connected transactions under the New Benxi Iron Processing Service Agreement, the New Transportation Service Agreement and the New Office Lease Agreement are only subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will hold the EGM to approve the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016). A circular including, among other information, (i) a letter from the Board containing further details of the Iron Ore Concentrates Sale Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders within 15 Business Days from the date of this announcement.

BACKGROUND

Reference is made to the section headed "Connected Transactions – Non-exempt Continuing Connected Transactions" of the Prospectus in relation to, among others, the non-exempt continuing connected transactions of the Company under the Existing Agreements as follows:

(i) The Existing Iron Concentrates Procurement Agreement, pursuant to which the Company, through its subsidiaries, including Aoniu Mining and STSU, has sold iron ore concentrates to Fushun D.R.I..

(ii) The Existing Benxi Iron Processing Service Agreement, pursuant to which Benxi Iron Processing has provided iron processing service to Benxi Mining.

(iii) The Existing Transportation Service Agreement, pursuant to which Aoniu Mining has engaged Mingcheng Transportation or its affiliate to provide iron ore concentrates transportation service.

(iv) The Existing Aoniu Office Lease Agreement, pursuant to which Aoniu Mining and STSU have leased office premises and advertising sites from Shengtai Properties and engaged Shengtai Properties to provide properties management service.

The Existing Agreements are for a term of three years commencing from the Listing Date.

The Company has applied to the Stock Exchange, and the Stock Exchange has granted the Company, waivers from strict compliance with the announcement and (where applicable) independent shareholders' approval requirements of the Listing Rules for each of the non-exempt continuing connected transactions of the Company under the Existing Agreements. Pursuant to the Waivers, the non-exempt continuing connected transactions under the Existing Agreements are subject to the following conditions:

(i) the aggregate value of each of these non-exempt continuing connected transactions for each financial year will not exceed the relevant annual cap amount set forth in the Prospectus; and

(ii) the Company will fully comply with the requirements under Chapter 14A of the Listing Rules for transactions to be conducted after 31 December 2013.

As the Group intends to continue to carry out the non-exempt continuing connected transactions under the Existing Agreements after 31 December 2013, on 15 October 2013, the New Agreements for a term of three years commencing from 1 January 2014 and ending on 31 December 2016 (both days inclusive) are entered into to replace the Existing Agreements. Save for the term of agreement and otherwise disclosed below, the principal terms of the New Agreements are same as that of the Existing Agreements in all material respects.

IRON ORE CONCENTRATES SALE AGREEMENT

Date

15 October 2013

Parties

(1) The Company;

(2) Fushun D.R.I.; and

(3) Dalian Huaren.

Subject matter

The Company will, through its subsidiaries, including but not limited to STSU, provide iron ore concentrates to Fushun D.R.I. through Dilian Huaren as Fushun D.R.I.'s agent. Iron ore concentrates purchased by Dilian Huaren shall be delivered to Fushun D.R.I..

The Company, Fushun D.R.I. and Dalian Huaren will enter into individual agreements detailing major terms of the transactions under the Iron Ore Concentrates Sale Agreement which will be negotiated in good faith and determined by them from time to time under normal commercial terms in the ordinary course of business.

Term

The Existing Iron Concentrates Procurement Agreement shall be terminated on 31 December 2013. Subject to the Independent Shareholders' approval at the EGM, the Iron Ore Concentrates Sale Agreement shall be for a term of three years commencing from 1 January 2014 and ending on 31 December 2016 (both days inclusive).

Pricing

Pursuant to the Iron Ore Concentrates Sale Agreement, Fushun D.R.I., through its agent Dilian Huaren, will procure iron ore concentrates from the Group, including but not limited to STSU, at the market price. The market price will be arrived at after arm's length negotiation between the parties under normal commercial terms in the ordinary course of business. The Company pays close attention to the iron ore concentrates price fluctuations in Northeastern and North China (including the procurement prices of major steel companies in these regions), and adjusts the price of iron ore concentrates accordingly. The Directors confirm that the determination of the iron ore concentrates sales price on the aforesaid basis is commonly accepted within the industry. The sales price payable by Fushun D.R.I. shall be no less favourable than those available to the Group from Independent Third Parties.

Condition

The Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016) are conditional on the approval by the Independent Shareholders at the EGM.

Historical figures

The historical transaction figures between the Group, Fushun D.R.I. and Dalian Huaren (as agent of Fushun D.R.I.) are as follows:

Year ended 31 December			Six months ended
2010	**2011**	**2012**	**30 June 2013**
(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
305.3	323.2	317.5	145.2

The average selling price of iron ore concentrates of the Group to its customers for each of the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013 was approximately RMB1,098/ton, RMB1,061/ton, RMB830/ton and RMB858/ton respectively.

Annual caps

The proposed annual cap for the continuing connected transactions under the Iron Ore Concentrates Sale Agreement for each of the three years ending 31 December 2014, 2015 and 2016 is RMB480 million, RMB480 million and RMB480 million respectively.

Basis of caps

The basis in determining the proposed annual caps is as follows:

(i) the pig iron production capacity of Fushun D.R.I. is approximately 500,000 tons per annum and the demand for iron ore concentrates by Fushun D.R.I. is approximately 750,000 tons per annum. Prior to 2013, the iron ore concentrates production capacity of Maogong Mining was approximately 360,000 tons per annum and could not satisfy the demand by Fushun D.R.I.. Therefore, the existing annual caps were determined based on the current production capacity of Maogong Mining. Following a new iron ores processing plant of Maogong Mine with an annual iron ore processing capacity of approximately 3,000,000 tons per annum which will start operating in the fourth quarter of 2013, it is expected that the iron ore concentrates production volume of Maogong Mining will reach more than 800,000 tons for 2014, 2015 and 2016 respectively. As such, the supply volume to Fushun D.R.I. by Maogong Mining shall be expected to reach approximately 600,000 tons per annum and hence the proposed annual caps for the three years ending 31 December 2016 are determined on this basis; and

(ii) for the purpose of determining the proposed annual caps, the Company assumes that the market price of iron ore concentrates shall be approximately RMB800 (excluding tax) per ton and will remain at such price level from 2014 to 2016. As such, the Company expects that the total value of the sale of iron ore concentrates to Fushun D.R.I. shall amount to approximately RMB480 million per annum.

NEW BENXI IRON PROCESSING SERVICE AGREEMENT

Date

15 October 2013

Parties

(1) Benxi Mining; and

(2) Benxi Iron Processing.

Subject matter

Benxi Iron Processing will provide iron processing service to Benxi Mining, where Benxi Iron Processing will process the iron ores provided by Benxi Mining, and deliver the iron ore concentrates produced to Benxi Mining.

Term

The Existing Benxi Iron Processing Service Agreement shall be terminated on 31 December 2013. The New Benxi Iron Processing Service Agreement shall be for a term of three years commencing from 1 January 2014 and ending on 31 December 2016 (both days inclusive).

Pricing

According to the New Benxi Iron Processing Service Agreement, the iron ore processing fee payable by Benxi Mining, with reference to the quality of iron ores at present, shall be revised to approximately RMB21.5 per ton of iron ores (without tax). The iron ore processing fee is arrived at after arm's length negotiation between the parties under normal commercial terms in the ordinary course of business, and based on the iron ore processing cost per ton of Benxi Iron Processing plus other fees including an administrative fee and a miscellaneous fee. If change of the quality of iron ores occurs, the parties will adjust the iron ore processing fee per ton of iron ores in accordance with the aforesaid basis.

Historical figures

Benxi Iron Processing has only provided iron processing service to the Group since September 2010. The iron ore processing volume of Benxi Iron Processing for the period from September to December 2010, each of the two years ended 31 December 2011 and 2012, and the six months ended 30 June 2013 was approximately 0.33 million tons, 1.085 million tons, 1.11 million tons and 0.623 million tons respectively. The respective total fee incurred for processing service for the period from September 2010 to 31 December 2010, each of the two years ended 31 December 2011 and 2012, and the six months ended 30 June 2013 was as follows:

The period from September to 31 December 2010	Year ended 31 December 2011	2012	Six months ended 30 June 2013
(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
12.7	36.5	28.5	16.0

Annual caps

The proposed annual cap for the continuing connected transactions under the New Benxi Iron Processing Service Agreement for each of the three years ending 31 December 2014, 2015 and 2016 is RMB35 million, RMB35 million and RMB35 million respectively.

Basis of caps

The basis in determining the proposed annual caps is as follows:

(i) with reference to the quality of iron ores at present, the estimated iron ore processing fee is approximately RMB21.5 per ton (without tax). This has been determined based on the iron ore processing cost per ton of Benxi Iron Processing plus other fees including an administrative fee and a miscellaneous fee; and

(ii) the estimated iron ore output of Benxi Mining is approximately 1,628,000 tons for each of the three years ending 31 December 2016 respectively.

NEW TRANSPORTATION SERVICE AGREEMENT

Date

15 October 2013

Parties

(1) The Company; and

(2) Mingcheng Transportation.

Subject matter

The Company will engage Mingcheng Transportation or its affiliate to provide iron ore concentrates transportation service to the Company and its subsidiaries.

Term

The Existing Transportation Service Agreement shall be terminated on 31 December 2013. The New Transportation Service Agreement shall be for a term of three years commencing from 1 January 2014 and ending on 31 December 2016 (both days inclusive).

Pricing

According to the New Transportation Service Agreement, the transportation service fee payable by the Group shall be fixed at the market price. The market price will be arrived at after arm's length negotiation between the parties under normal commercial terms in the ordinary course of business, and taking into account, among other factors, the fluctuations of the price of petroleum. The transportation service fee is considered to be comparable to the fee that would be charged by an Independent Third Party, and hence fair and reasonable for both parties.

Historical figures

The historical figures of the transportation service fee between the Group and Mingcheng Transportation (and its affiliate) are as follows:

Year ended 31 December			Six months ended
2010	**2011**	**2012**	**30 June 2013**
(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
18.5	22.9	26.0	12.9

Annual caps

The proposed annual cap for the continuing connected transactions under the New Transportation Service Agreement for each of the three years ending 31 December 2014, 2015 and 2016 is RMB27.6 million, RMB27.6 million and RMB27.6 million respectively.

Basis of caps

The basis in determining the proposed annual caps is as follows:

(i) according to the production expansion plan of the Company in 2014, 2015 and 2016, the total volume of iron ore concentrates that is expected to require transportation service from Mingcheng Transportation or its affiliate and the transportation fee payable by the Group to Mingcheng Transportation are expected to be approximately 1,380,000 tons and RMB27.6 million in each of the three years ending 31 December 2014, 2015 and 2016 respectively; and

(ii) the Group estimates that the average unit price for transportation will decrease in 2014, and will remain relatively constant in 2015 and 2016. The decrease is mainly due to the significant increase in iron ore concentrates production as a new iron ores processing plant of Maogong Mine will start operating in the fourth quarter of 2013. Maogong Mining has a lower transportation unit price due to its shorter distance from customers. Therefore, as the iron ore concentrates production contribution from Maogong Mining increases, the unit price of transportation service decreases. Another reason for the expected decrease is due to the strengthen in management of the transportation costs by the Group.

NEW OFFICE LEASE AGREEMENT

Date

15 October 2013

Parties

(1) Aoniu Mining;

(2) STSU; and

(3) Shengtai Properties.

Subject matter

Aoniu Mining and STSU will lease office premises and advertising sites from Shengtai Properties and engage Shengtai Properties to provide properties management service.

Term

The Existing Aoniu Office Lease Agreement shall be terminated on 31 December 2013. The New Office Lease Agreement shall be for a term of three years commencing from 1 January 2014 and ending on 31 December 2016 (both days inclusive).

Pricing

Pursuant to the New Office Lease Agreement, Aoniu Mining and STSU shall pay office rent, advertising sites rent and properties management fee to Shengtai Properties, which will be arrived at after arm's length negotiation between the parties under normal commercial terms in the ordinary course of business, and at a maximum rate of RMB4 million in each of the three years ending 31 December 2014, 2015 and 2016 respectively.

Historical figures

The historical figures of the service fee between Aoniu Mining, STSU and Shengtai Properties are as follows:

Year ended 31 December			Six months ended
2010	**2011**	**2012**	**30 June 2013**
(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
4.8	4.8	4.8	2.1

Annual caps

The proposed annual cap for the continuing connected transactions under the New Office Lease Agreement for each of the three years ending 31 December 2014, 2015 and 2016 is RMB4 million, RMB4 million and RMB4 million respectively.

Basis of caps

The basis in determining the proposed annual caps is as follows:

(i) Aoniu Mining and STSU plan to reduce the leased area of office premises from Shengtai Properties by way of either reducing the existing leased area from approximately 3,193.8 square meters to 2,700 square meters or leasing four floors of office premises instead of five floors;

(ii) Aoniu Mining and STSU consider that the fluctuations of properties price in future will be in a range of 10% increase or decrease; and

(iii) the office rent, advertising sites rent and properties management fee under the New Office Lease Agreement were agreed after arm's length negotiation between the parties taking into account the market rates of similar properties, and which are also comparable to the office rent, advertising sites rent and properties management fee paid by an Independent Third Party.

INFORMATION ON THE GROUP AND THE CONNECTED PERSONS

The Group is one of the largest independent privately-owned iron ore concentrates producer in the Northeastern PRC. The primary business operations of the Group in the PRC include iron ore exploration, mining, processing and selling and the product of the Group is iron ore concentrates. The Company also engaged in exploration, mining and selling of laterite nickel ores in Indonesia as well as exploration, mining, processing and selling of gold ores in Australia.

Fushun D.R.I. is principally engaged in manufacturing and sale of pig iron.

Dalian Huaren is principally engaged in procurement agency service.

Benxi Iron Processing is principally engaged in the iron ore processing business.

Mingcheng Transportation is principally engaged in the service of road freight transportation, ordinary cargo and freight of large objects.

Shengtai Properties is principally engaged in properties leasing and properties management services.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Iron ore business remains the principal business and sales income stream of the Group, notwithstanding that the Group diversified into the nickel ore business and gold mining business in the first half of 2013. In the six months ended 30 June 2013, the revenue of iron ore business was approximately RMB666.986 million, representing approximately 98.58% of the total revenue of the Group. Significant increase in production is expected for the fourth quarter of 2013 given the increase in processing capability of Aoniu Mine and Maogong Mine.

The Waivers only cover the transactions under the Existing Agreements up to 31 December 2013. The Group intends to continue the transactions under the Existing Agreements after 31 December 2013. The Directors consider that it is beneficial to the Group by entering into the New Agreements to replace the Existing Agreements and to regulate the business relationship with its connected persons.

Since September 2012, Dalian Huaren has acted as the unified procurement platform appointed by Fushun D.R.I. responsible for procuring iron ore concentrates from the Group. The iron ore concentrates procured by Dalian Huaren were delivered to Fushun D.R.I.. The distance between Fushun D.R.I. and Maogong Mining is approximately 21 kilometres, whilst the distance between the largest customer of the Group and Maogong Mining is approximately 34 kilometres. By supplying iron ore concentrates to Fushun D.R.I. at market price, the Group will be able to achieve a higher profit rate as compared with sale to its largest customer. Besides, the expansion construction of the processing plant with an annual production capacity of 3 million tons of Maogong Mining is expected to be completed in the fourth quarter of 2013. The supply of more iron ore concentrates to Fushun

D.R.I. to meet its demand represents a good opportunity to broaden the revenue of the Group from a stable customer. The entering into the Iron Ore Concentrates Sale Agreement is thus considered in line with the Group's business and in the interests of the Company and the Shareholders as a whole.

The Group considers that stable and trustworthy iron processing and transportation service providers are important for the sustainable development of the business of the Group. The Group is satisfied with the quality of service of Benxi Iron Processing and Mingcheng Transportation. The Directors consider that the entering into the New Benxi Iron Processing Service Agreement, the New Transportation Service Agreement and the New Office Lease Agreement will enable to the Group to secure a stable and trustworthy source of iron processing service, transportation service and office premises for the Group's production and business operations, and is thus in line with the Group's business and in the interests of the Company and the Shareholders as a whole.

With respect to the Iron Ore Concentrates Sale Agreement, the Directors (excluding Ms. Yang and Mr. Yang who are required to be abstained from voting and the independent non-executive Directors whose views will be formed after obtaining the advice of the Independent Financial Adviser) consider that:

(i) the terms and conditions have been negotiated among the parties on an arm's length basis and are on normal commercial terms that are fair and reasonable;

(ii) the proposed annual caps for transactions contemplated thereunder for the three years ending 31 December 2016 are fair and reasonable; and

(iii) the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

With respect to the New Benxi Iron Processing Service Agreement, the New Transportation Service Agreement and the New Office Lease Agreement, the Directors (excluding Ms. Yang and Mr. Yang) consider that:

(i) the terms and conditions have been negotiated among the parties on an arm's length basis and are on normal commercial terms that are fair and reasonable;

(ii) the proposed annual caps for transactions contemplated thereunder for the three years ending 31 December 2016 are fair and reasonable; and

(iii) the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement:

(i) Fushun D.R.I. is a wholly-owned subsidiary of Hanking Group and hence a connected person of the Company;

(ii) Dalian Huaren is indirectly wholly-owned by Mr. Yang and Ms. Yang, and hence a connected person of the Company;

(iii) Benxi Iron Processing is a wholly-owned subsidiary of Hanking Group and hence a connected person of the Company;

(iv) Mingcheng Transportation is wholly-owned by Mr. Yang Xinhuan, the nephew of Ms. Yang and the cousin of Mr. Yang, and hence a connected person of the Company; and

(v) Shengtai Properties is owned as to 96.69% by the Controlling Shareholders and hence a connected person of the Company.

Accordingly, the transactions contemplated under the New Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since certain applicable percentage ratios relating to the proposed annual caps for the continuing connected transactions under the Iron Ore Concentrates Sale Agreement exceed 25%, the continuing connected transactions under the Iron Ore Concentrates Sale Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will seek the Independent Shareholders' approval for the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016) at the EGM.

Since all the applicable percentage ratios relating to the proposed annual caps for the continuing connected transactions under each of the New Benxi Iron Processing Service Agreement, the New Transportation Service Agreement and the New Office Lease Agreement exceed 0.1% but do not exceed 5%, the continuing connected transactions under the New Benxi Iron Processing Service Agreement, the New Transportation Service Agreement and the New Office Lease Agreement are only subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the relevant Board meeting, Ms. Yang and Mr. Yang have abstained from voting on the resolutions approving the New Agreements and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016) in which they and/or their respective associates are materially interested in.

At the EGM, Ms. Yang and Mr. Yang as well as their respective associates will abstain from voting on the resolutions approving the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016). As at the date of this announcement, Ms. Yang and Mr. Yang respectively held 771,316,666 shares and 424,360,500 Shares, representing approximately 42.15% and 23.19% of the existing issued share capital of the Company respectively. To the best knowledge, information and belief of the Directors, none of the persons (excluding Ms. Yang and Mr. Yang) who are required to abstain from voting at the EGM is holding any Shares as at the date of this announcement.

GENERAL

The Company will hold the EGM to approve the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016). A circular including, among other information, (i) a letter from the Board containing further details of the Iron Ore Concentrates Sale Agreement; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders within 15 Business Days from the date of this announcement.

DEFINITIONS

"affiliate"	any individual, partnership, corporation, trust or other entity that directly or indirectly controls, or is controlled by, or is under common control with, such individual, partnership, corporation, trust or other entity, where control means the direct or indirect ownership of 10% or more of the outstanding shares or other ownership interests having ordinary voting power to elect directors or the equivalent
"Aoniu Mine"	located at Hou'an Town, Fushun City, an iron mine operated through Aoniu Mining
"Aoniu Mining"	Fushun Hanking Aoniu Mining Limited* (撫順罕王傲牛礦業股份有限公司), a company established in the PRC on 19 March 1998 and a subsidiary of the Company. It is mainly engaged in iron ore mining and processing
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Benxi Iron Processing"	Benxi Hanking Iron Processing Co., Ltd.* (本溪罕王鐵選有限公司), a company established in the PRC on 20 July 2010 and a wholly-owned subsidiary of Hanking Group. It is a company controlled by the Controlling Shareholders

"Benxi Mining"	Benxi Hanking Mining Co., Ltd.* (本溪罕王礦業有限公司), a company established in the PRC on 15 March 2004 and an indirect wholly-owned subsidiary of the Company. It is mainly engaged in iron ore mining
"Board"	the board of Directors
"Business Day"	any day on which the Stock Exchange is open for the business of dealing in securities
"Company"	China Hanking Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed in the Listing Rules and unless the context requires otherwise, refers to Mr. Yang, Ms. Yang, China Hanking (BVI) Limited, Bisney Success Limited and Best Excellence Limited
"Dalian Huaren"	Dalian Huaren Trade Co., Ltd.* (大連華仁貿易有限公司), a company established in the PRC on 26 May 2011 whose equity interest is indirectly wholly-owned by Mr. Yang and Ms. Yang
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting to be convened for, among other matters, approving the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016)
"Existing Agreements"	collectively, the Existing Iron Concentrates Procurement Agreement, the Existing Benxi Iron Processing Service Agreement, the Existing Transportation Service Agreement and the Existing Aoniu Office Lease Agreement
"Existing Aoniu Office Lease Agreement"	the lease agreement dated 16 September 2011 and entered into between Aoniu Mining, STSU and Shengtai Properties, pursuant to which Aoniu Mining and STSU agreed to lease office premises and advertising sites from Shengtai Properties and engage Shengtai Properties to provide properties management service for a term of three years commencing from the Listing Date

"Existing Benxi Iron Processing Service Agreement"	the processing service agreement dated 16 June 2011 and entered into between Benxi Mining and Benxi Iron Processing, pursuant to which Benxi Iron Processing agreed to provide iron processing service to Benxi Mining for a term of three years commencing from the Listing Date
"Existing Iron Concentrates Procurement Agreement"	the procurement agreement dated 16 September 2011 and entered into between the Company and Fushun D.R.I., pursuant to which the Company, through its subsidiaries, including Aoniu Mining and STSU, agreed to provide iron ore concentrates to Fushun D.R.I. for a term of three years commencing from the Listing Date
"Existing Transportation Service Agreement"	the transportation service agreement dated 16 September 2011 and entered into between Aoniu Mining and Mingcheng Transportation, pursuant to which Aoniu Mining agreed to engage Mingcheng Transportation or its affiliate to provide iron ore concentrates transportation service for a term of three years commencing from the Listing Date
"Fushun D.R.I."	Fushun Hanking D.R.I. Co., Ltd.* (撫順罕王直接還原鐵有限公司), a company established in the PRC on 20 August 2002 and a wholly-owned subsidiary of Hanking Group. It is a company controlled by the Controlling Shareholders
"Fushun Shangma"	Fushun Hanking Shangma Mining Company Limited* (撫順罕王上馬礦業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"Hanking Group"	Hanking Group Co., Limited* (罕王實業集團有限公司), a company established in the PRC on 4 April 1996, whose shares are held by Ms. Yang (60.67%), Mr. Yang (28.29%) and other individuals. Hanking Group is a holding company controlled by the Controlling Shareholders
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	the independent committee of the Board, comprising Mr. Chen Yuchuan, Mr. Wang Ping, Mr. Johnson Chi-King Fu and Mr. Wang Anjian, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders as to the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016)
"Independent Financial Adviser"	an independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the Iron Ore Concentrates Sale Agreement and the transactions contemplated thereunder (including the proposed annual caps for the three years ending 31 December 2016)
"Independent Shareholders"	Shareholders excluding Ms. Yang and Mr. Yang and their respective associates
"Independent Third Party"	an individual or a company who or which is independent of and not connected with the Directors, chief executive and substantial shareholders of the Company, its subsidiaries or any of their respective associates, and not otherwise a connected person of the Company
"Iron Ore Concentrates Sale Agreement"	the sale agreement dated 15 October 2013 and entered into between the Company, Fushun D.R.I. and Dalian Huaren, pursuant to which the Company, through its subsidiaries, including but not limited to STSU, agrees to provide iron ore concentrates to Fushun D.R.I. through Dalian Huaren as Fushun D.R.I.'s agent for a term of three years commencing from 1 January 2014
"Listing Date"	30 September 2011, the date on which the Shares are listed and from which dealings therein are permitted to take place on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Maogong Mine"	located at Shiwen Town, Fushun City, an iron mine operated through Maogong Mining

"Maogong Mining"	Fushun Hanking Maogong Mining Co., Ltd.* (撫順罕王毛公鐵礦有限公司), a company established in the PRC on 31 March 1997 and an indirect wholly-owned subsidiary of the Company. It is mainly engaged in iron ore mining and processing
"Mingcheng Transportation"	Fushun Mingcheng Transportation Co., Ltd.* (撫順名城運輸有限公司), a company established in the PRC on 21 November 2006 and is wholly-owned by Mr. Yang Xinhuan, the nephew of Ms. Yang and the cousin of Mr. Yang
"Mr. Yang"	Mr. Yang Jiye, a non-executive Director and a substantial shareholder of the Company. He is the son of Ms. Yang and the cousin of Mr. Yang Xinhuan
"Ms. Yang"	Ms. Yang Min, the chairlady, a non-executive Director and a substantial shareholder of the Company. She is the mother of Mr. Yang and the aunt of Mr. Yang Xinhuan
"New Agreements"	collectively, the Iron Ore Concentrates Sale Agreement, the New Benxi Iron Processing Service Agreement, the New Transportation Service Agreement and the New Office Lease Agreement
"New Benxi Iron Processing Service Agreement"	the processing service agreement dated 15 October 2013 and entered into between Benxi Mining and Benxi Iron Processing, pursuant to which Benxi Iron Processing agrees to provide iron processing service to Benxi Mining for a term of three years commencing from 1 January 2014
"New Office Lease Agreement"	the lease agreement dated 15 October 2013 and entered into between Aoniu Mining, STSU and Shengtai Properties, pursuant to which Aoniu Mining and STSU agree to lease office premises and advertising sites from Shengtai Properties and engage Shengtai Properties to provide properties management service for a term of three years commencing from 1 January 2014
"New Transportation Service Agreement"	the transportation service agreement dated 15 October 2013 and entered into between the Company and Mingcheng Transportation, pursuant to which the Company agrees to engage Mingcheng Transportation or its affiliate to provide iron ore concentrates transportation service for a term of three years commencing from 1 January 2014
"PRC"	the People's Republic of China

"Prospectus"	the prospectus of the Company dated 20 September 2011
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the Company with a nominal value of HK$0.10 each
"Shareholder(s)"	shareholder(s) of the Company
"Shengtai Properties"	Shenyang Shengtai Properties Management Co., Ltd.* (瀋陽盛泰物業管理有限公司), a company established in the PRC on 19 October 2005 and 96.69% equity interest of which is indirectly owned by the Controlling Shareholders
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"STSU"	Shenyang Toyo Steel Utility Co., Ltd.* (瀋陽東洋煉鋼公用設施有限公司), an indirect wholly-owned subsidiary of the Company, a company established as a sino-foreign joint venture in the PRC on 10 March 1995, which subsequently became a wholly foreign owned enterprise on 18 January 2011, and is mainly engaged in the development of and consultation in respect of mining technologies, whole sale of concentrates, blast furnace materials and raw materials and accessories for steelmaking
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Waivers"	the waivers granted by the Stock Exchange to the Company from strict compliance with the announcement and (where applicable) independent shareholders' approval requirements of the Listing Rules for the non-exempt continuing connected transactions of the Company as disclosed in the section headed "Connected Transactions – Non-exempt Continuing Connected Transactions" of the Prospectus
"%"	per cent

By order of the Board
CHINA HANKING HOLDINGS LIMITED
Yang Min
Chairlady and non-executive Director

Shenyang, the PRC, 15 October 2013

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

* *For identification purposes only*