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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

OPERATING HIGHLIGHTS

1. Achievement of breakthroughs in the implementation of diversification strategy

In 2013, China Hanking Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") completed two material mergers and acquisitions, i.e. a world-class laterite nickel mine in Indonesia and a large gold mine in Australia, which rapidly moved forward the Group's established development strategy of limited diversification and internationalization of mineral resources. These additional resources helped the Group to hedge the risk arising from the exposure of price fluctuation as a result of single mineral and also created a new territory for value creation.

2. Realization of the strategic target of an annual ore processing capacity of 10 million tons

In 2013, the technology upgrading and expansion project of phase II of the first processing plant of Aoniu Mine and the construction of the new processing plant of Maogong Mine with an annual processing capacity of 3 million tons were completed, and both plants were put into operation. This took the raw iron ore processing capacity of the Group to reach 10 million tons for the first time, laying a solid foundation for the increase in output of iron ore concentrates of the Group in 2014.

3. **Substantial increase in resources volume**

In 2013, the iron ore resources volume of the Company had an increase of 8.15 million tons through exploration activities, while the annual amount of mined iron ores reached to 6.28 million tons, thus the newly increased resources volume continued to exceed the volume of consumption of resources.

After completion of the acquisition of Indonesia laterite nickel project, through the reassessment of various drilling materials and market survey data of mines, the Company found that "high TFe low Ni" ores was a kind of resource with high market value. According to the evaluation made by CSA Global Pty Ltd (an independent agency), newly increased resources with high TFe and low Ni was 90.54 million tons, which further enhanced the potential profitability and overall value of the project. In 2013, such mineral products sold by Indonesia laterite nickel mine amounted to 315,000 tons.

Hanking Gold Mining Pty Ltd. ("**Hanking Gold**"), a wholly-owned subsidiary of the Company, has completed a drilling program at the Frasers South gold deposits of the Southern Cross Operation Gold Project in Western Australia (the "**SXO Gold Project**") with each drill hole intercepted mineralization. CSA Global Pty Ltd has estimated that gold resources have been increased by 99,000 ounces to a total of 2,504,000 ounces and some resources have been upgraded in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the "**JORC Code**").

4. **Further enhancement of the competitiveness of low cost operation**

The processing plant of Aoniu Mine after renovation and expansion and the new processing plant of Maogong Mine had become the few processing plants which had an annual processing capacity of 3 million tons in the northern China, and were also among the few iron ore processing plants which applied new technology of high pressure roller grinding. Enhancement of scale and application of new technology of the new processing plants further strengthened the Group's core competitiveness of low cost operation, and also significantly improved the Company's capability of value creation for shareholders.

5. **Continuous improvement in safety and environmental protection management**

The Company established the Health, Safety, Environmental Protection and Community Committee (the "**HSEC**") in 2013, a specialized committee under the Board that is responsible for the health, safety, environmental protection and community affairs of the Group. The HSEC held a meeting in November 2013 to review the management structure and system of the Company in respect of health, safety, environmental protection and community, review the current status of health, safety, environmental protection and community relationship of the Group and make recommendations for improvement. In the year of 2013, the Group basically achieved the targeted goal of zero pollution, zero fire accident and zero major mechanical failure accident in respect of the safety and environmental protection management.

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2013:

- The revenue of the Group amounted to RMB1,455,505,000, representing an increase of 4.17% as compared with last year.
- The net profit attributable to owners of the Company was RMB192,661,000, representing a decrease of 35.07% as compared with last year.
- The basic earnings per share was RMB0.11, representing a decrease of RMB0.05 as compared with last year.
- The Board proposed a final dividend of RMB0.02 per share.

The board of directors (the "**Board**") of the Company is pleased to announce the consolidated results of the Group for the year ended 31 December 2013 (the "**Annual Results for 2013**").

FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	2013 RMB'000	2012 RMB'000 (Restated)
Revenue	2	**1,455,505**	1,397,240
Cost of sales		**(663,501)**	(648,440)
Gross profit		**792,004**	748,800
Investment and other income	3	**7,676**	14,626
Other expenses	4	**(38,711)**	(11,085)
Selling and distribution expenses		**(50,726)**	(55,853)
Administrative expenses		**(309,557)**	(247,136)
Finance costs	5	**(123,178)**	(86,787)
Profit before tax	6	**277,508**	362,565
Income tax expense	7	**(123,919)**	(128,744)
Profit for the year		**153,589**	233,821
Other comprehensive income (expense):			
Items that may be subsequently reclassified to profit or loss:			
Fair value gain (loss) on available-for-sale financial assets		**22,501**	(327)
Exchange differences on translation of financial statements of foreign operations		**(32,411)**	(1,879)
Other comprehensive loss for the year, net of income tax		**(9,910)**	(2,206)
Total comprehensive income for the year		**143,679**	231,615
Profit (loss) for the year attributable to:			
Owners of the Company		**192,661**	296,742
Non-controlling interests		**(39,072)**	(62,921)
		153,589	233,821
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**182,844**	295,526
Non-controlling interests		**(39,165)**	(63,911)
		143,679	231,615
EARNINGS PER SHARE			
– Basic and diluted (RMB cent per share)	9	**11**	16

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	NOTES	**31/12/2013** **RMB'000**	31/12/2012 RMB'000 (Restated)	1/1/2012 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**1,376,231**	905,518	530,411
Intangible assets		**964,605**	884,720	810,479
Prepaid lease payments		**357,533**	351,393	285,781
Deferred tax assets		**6,476**	5,152	7,830
Loan receivable from a third party		**11,300**	15,300	16,000
Deposit on acquisition of property, plant and equipment		**28,914**	47,767	16,010
Restricted cash		**47,103**	–	–
		2,792,162	2,209,850	1,666,511
CURRENT ASSETS				
Inventories		**170,308**	97,378	55,122
Prepaid lease payments		**45,123**	47,026	25,302
Trade and other receivables	*10*	**422,140**	416,779	456,367
Tax recoverable		**7,872**	7,222	6,070
Amount due from non-controlling interests of subsidiaries		**–**	25,004	–
Loans receivable from related parties		**–**	8,766	386,439
Available-for-sale financial assets		**47,175**	2,941	–
Bank deposits used as guarantee		**460,000**	–	–
Bank balances and cash		**369,995**	581,960	352,650
		1,522,613	1,187,076	1,281,950
CURRENT LIABILITIES				
Trade and other payables	*11*	**352,695**	273,466	270,409
Borrowings	*12*	**1,385,444**	800,000	299,943
Loans payable to non-controlling interest of a subsidiary		**3,873**	6,052	–
Loans payable to related parties		**–**	223,304	371,925
Consideration payable		**86,943**	143,320	59,028
Tax liabilities		**74,496**	197,077	203,243
		1,903,451	1,643,219	1,204,548
NET CURRENT (LIABILITIES) ASSETS		**(380,838)**	(456,143)	77,402
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,411,324**	1,753,707	1,743,913

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	NOTES	**31/12/2013** **RMB'000**	31/12/2012 RMB'000 (Restated)	1/1/2012 RMB'000 (Restated)
CAPITAL AND RESERVES				
Share capital	13	**149,137**	149,137	149,137
Reserves		**1,091,806**	1,232,385	1,189,986
Equity attributable to owners of the Company		**1,240,943**	1,381,522	1,339,123
Non-controlling interests		**259,274**	186,258	183,532
TOTAL EQUITY		**1,500,217**	1,567,780	1,522,655
NON CURRENT LIABILITIES				
Borrowings	12	**482,651**	–	–
Consideration payable		**355,261**	183,935	221,258
Rehabilitation provision		**71,115**	833	–
Retirement benefit obligations		**2,080**	1,159	–
		911,107	185,927	221,258

Notes:

1. GENERAL INFORMATION

The Company is a limited company incorporated in the Cayman Islands on 2 August 2010 and acts as an investment holding company. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 30 September 2011.

The address of principal place of business of the Company in Hong Kong is 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

The Company is an investing holding company. The Group is engaged in iron ore, nickel ore and gold mining, processing and sales.

2. REVENUE

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Iron ore concentrates	**1,372,505**	1,360,014
Nickel ore	**82,293**	36,102
Sales of raw and leftover materials	**707**	1,124
	1,455,505	1,397,240

3. INVESTMENT AND OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Bank interest income	**6,448**	8,977
Interest on non-listed available-for-sale financial assets	**–**	2,433
Government grants *(note)*	**375**	3,200
Dividends from equity investments	**598**	–
Others	**255**	16
	7,676	14,626

Note: The amount of RMB3,200,000 recognised in 2012 represented an unconditional government grant in recognition of the Group's contribution to environmental protection, restoration and rehabilitation.

4. OTHER EXPENSES

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Net foreign exchange loss	**35,873**	2,166
Loss on disposal of property, plant and equipment	**819**	786
Donations	**1,510**	4,410
Others	**509**	3,723
	38,711	11,085

5. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Interests on bank borrowings wholly repayable within five years	**80,162**	47,196
Interests on bills discounted with no-recourse	**14,923**	3,576
Imputed interest of consideration payable	**26,856**	35,884
Interests on loans payable to non-controlling interest of a subsidiary wholly repayable within five years	**–**	131
Unwinding of discounts on provisions	**1,237**	–
	123,178	86,787

6. PROFIT BEFORE TAX

Profit before taxation has been arrived at after charging:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Cost of inventories recognized as an expense	**562,484**	528,752
Auditors' remuneration	**2,500**	2,246
Release of prepaid lease payments	**46,945**	31,700
Impairment loss of property, plant and equipment	**3,996**	–
Write-down of inventories (included in cost of sales)	**1,455**	–
Depreciation and amortisation:		
– Property, plant and equipment	**96,212**	66,662
– Intangible assets (included in cost of sales and administrative expenses)	**21,418**	23,379
	117,630	90,041
Staff costs (including directors):		
– Salary and other benefits	**211,784**	176,381
– Retirement benefits scheme contributions	**20,653**	13,820
	232,437	190,201

7. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Income tax expenses comprise:		
PRC enterprise income tax ("EIT") – current	**124,486**	128,092
(Over) under provision in prior years	**757**	(1,347)
Deferred tax – current year	**(1,324)**	1,999
	123,919	128,744

The subsidiaries established in the PRC are subject to PRC enterprise income tax at a statutory tax rate of 25%.

China Hanking Investment Limited, China Hanking (BVI) International Limited and Hanking (Indonesia) Mining Limited ("**Hanking Indonesia**") were incorporated in the British Virgin Islands and are not subject to income tax of any jurisdiction during the year (2012: nil).

China Hanking (Hong Kong) Limited, Denway Development Limited, City Globe Limited and Harvest Globe Limited were incorporated in Hong Kong and Hong Kong Profits Tax rate is 16.5% (2012:16.5%).

Hanking Australia Pty Ltd. and Hanking Gold Mining Pty Ltd. were incorporated in Australia and Australia profits tax rate is 30% (2012: 30%). They have no assessable profits subject to Australia profits tax during the current year.

Subsidiaries of Hanking Indonesia were incorporated in Indonesia and Indonesia profits tax rate is 25% (2012: 25%). They have no assessable profits subject to Indonesia profits tax during the current year (2012: nil).

The tax charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Profit before tax	**277,508**	362,565
Tax at the PRC income tax rate of 25% (2012:25%)	**69,377**	90,641
Tax effect of expenses that are not deductible for tax purpose	**14,294**	24,450
Tax effect of income that are not taxable for tax purpose	**(1,597)**	(147)
Effect of different tax rate of subsidiaries	**9,427**	(1,136)
Tax effect of deductible tax losses not recognised	**32,306**	13,438
Utilization of deductible temporary differences not recognised in prior years	**(645)**	(11)
Withholding income tax	**–**	2,856
(Over) under provision in prior years	**757**	(1,347)
	123,919	128,744

8. DIVIDENDS

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Dividends recognised as distribution during the year: 2012 Final – RMB2.0 cents (2012: 2011 Final – RMB2.1 cents) per share	**36,600**	38,430

The final dividend of RMB2.0 cents per share in respect of the year ended 31 December 2013 (total: RMB36,600,000) (2012: final dividend of RMB2.0 cents per share in respect of the year ended 31 December 2012 (total: RMB36,600,000)) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB192,661,000 (2012: RMB296,742,000) and the weighted average number of 1,830,000,000 shares (2012: 1,830,000,000 shares).

Diluted earnings per share presented is the same as basic earnings per share as the Company did not have dilutive potential ordinary shares in issue in both 2013 and 2012.

10. TRADE AND OTHER RECEIVABLES

	31/12/2013	31/12/2012	1/1/2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Trade receivables			
– related parties	**8,776**	41,699	6,917
– third parties	**57,266**	34,264	10,153
– bills receivables *(note (a))*	**128,848**	99,715	216,073
	194,890	175,678	233,143
Other receivables			
– advance to suppliers	**15,868**	11,239	18,497
– interest receivable on bank deposits	**755**	5,021	–
– deposits *(note (b))*	**24,091**	23,168	22,868
– deposit for resource tax	**145,911**	182,789	160,519
– value-added tax recoverable	**11,427**	–	–
– staff advances	**5,636**	2,726	6,968
– others	**23,562**	16,158	14,372
	227,250	241,101	223,224
Total trade and other receivables	**422,140**	416,779	456,367

Notes:

(a) The Group pledged bills receivable with carrying amount of RMB108,133,000 to secure the bank borrowings of RMB99,943,000 as of 1 January 2012.

(b) The PRC local governments required mining companies to pay various environment protection deposits, to fulfill the environment obligation during the mining process.

The Group allows an average credit period of 7 days to its customers of iron ore concentrates and 15 days to its customers of nickel ore. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period.

	31/12/2013	31/12/2012	1/1/2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Within 7 days	**64,713**	39,052	17,070
8 days to 3 months	**1,329**	27,164	–
3 months to 1 year	**–**	9,747	–
	66,042	75,963	17,070

In determining the recoverability of the trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The credit quality of the trade receivables that are neither past due nor impaired had not been changed during the current period.

Movement in the allowance for trade receivable

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Opening and closing balance	**182**	182

According to the credit period policy of the Group, the trade receivables due from third parties which has an ageing over 7 days and trade receivables due from related parties which has an ageing over 90 days of its iron ore customers, and trade receivables due from third parties which has an ageing over 15 days of its nickel ore were regarded as past due. Ageing of trade receivables which are past due but not impaired is analysed as follow:

	31/12/2013	31/12/2012	1/1/2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
8 days to 3 months	**1,329**	27,164	–
3 months to 1 year	**–**	9,747	–
	1,329	36,911	–

The Group did not provide an allowance on the remaining past due receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience and subsequent settlement. The Group does not hold any collateral over these balances.

Movement of allowance for doubtful debts on other receivables

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Opening balance	**1,721**	20,279
Reversal	**(117)**	–
Distribution of assets/liabilities of Shangma Mining	**–**	(18,558)
Closing balance	**1,604**	1,721

11. TRADE AND OTHER PAYABLES

	31/12/2013	31/12/2012	1/1/2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Trade payable			
– related parties	**6,970**	2,559	7,628
– third parties	**45,467**	27,538	14,545
– bills payable	**7,345**	–	10,235
	59,782	30,097	32,408
Other payables			
– advance from customer *(note a)*	**78,291**	60,000	60,000
– other tax payables	**16,601**	18,905	38,337
– payable of acquisition of property, plant and equipment	**131,306**	97,285	43,985
– payable of acquisition of prepaid lease payment	**–**	–	6,440
– outsourced service payable	**12,235**	17,121	40,599
– transportation fee payable *(note b)*	**13,930**	12,310	7,262
– accrued expenses	**7,953**	14,063	12,091
– accrued listing expenses	**–**	–	8,662
– salary and bonus payables	**9,112**	7,128	6,760
– interest payable	**2,830**	–	–
– others	**20,655**	16,557	13,865
	352,695	273,466	270,409

Notes:

(a) As at 31 December 2013, the Company has pledged prepaid lease payments of having a carrying amount of approximately RMB15,337,000 (31 December 2012: RMB15,668,000; 1 January 2012: RMB15,999,000) to secure the advance from a customer of RMB60,000,000 (31 December 2012: RMB60,000,000; 1 January 2012: RMB60,000,000). The advance is interest-free and repayable on demand.

(b) Amounts of approximately RMB7,350,000 (2012: RMB9,180,000) was due to Fushun Mingyang Transportation Co., Ltd. (撫順名揚運輸有限公司) as at 31 December 2013. Ms. Yang Min has significant influence in that entity.

Payment terms with suppliers are mainly on credit within 90 days from the time when the goods are received from suppliers. The following is an aged analysis of trade payables based on the date of the goods received at the end of the reporting period:

	31/12/2013	31/12/2012	1/1/2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Within 3 months	**44,739**	23,291	9,611
3 months to 1 year	**1,963**	5,859	2,403
1 year to 2 years	**4,843**	747	3,276
2 year to 3 years	**692**	109	6,883
Over 3 years	**200**	91	–
	52,437	30,097	22,173

12. BORROWINGS

	31/12/2013	31/12/2012	1/1/2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Fixed-rate bank loans-secured	**950,000**	100,000	49,943
Fixed-rate bank loans-unsecured	**70,000**	300,000	–
Floating-rate bank loans-secured *(note)*	**848,095**	200,000	250,000
Floating-rate bank loans-unsecured *(note)*	**–**	200,000	–
	1,868,095	800,000	299,943
Amount repayable:			
Due within one year (amount shown under current liabilities)	**1,385,444**	800,000	299,943
More than one year, but not exceeding two years (amount shown under non-current liabilities)	**482,651**	–	–
	1,868,095	800,000	299,943
Effective interest rates of bank borrowings	**4.34%**	6.78%	6.85%

Note: The floating-rate bank loans of RMB150,000,000 carry interest at 105% of the interest rate of RMB loan promulgated by the People's Bank of China. The USD loans of RMB698,095,000 carry 3-month LIBOR plus 150-205 base points of the interest rate.

The bank borrowings of RMB500,000,000 (31 December 2012: RMB300,000,000; 1 January 2012: RMB200,000,000) were secured by the mining rights with the carrying amounts of RMB287,150,000 (31 December 2012: RMB254,514,000; 1 January 2012: RMB251,655,000). The bank borrowings of RMB798,095,000 were (31 December 2012: nil; 1 January 2012: nil) secured by the letter of credit of the Group. The bank borrowings of RMB330,000,000 (31 December 2012: nil; 1 January 2012: nil) were secured by bank deposits of RMB460,000,000 (31 December 2012: nil; 1 January 2012: nil). The bank borrowings of RMB170,000,000 were guaranteed by the related parties Ms. Yang Min and Hanking Industrial Group Co., Ltd..

On the top of the pledge of mining rights as of 1 January 2012, the bank borrowings of RMB100,000,000 were also guaranteed by related parties, Hanking Industrial Group Co., Ltd. and its subsidiaries. The guarantee was released during the year ended 31 December 2012. The bank borrowings of RMB99,943,000 as of 1 January 2012 were secured by the bills receivable with carrying amount of RMB108,133,000.

13. SHARE CAPITAL

The amount as at 31 December 2013 and 2012 represented the then issued share capital of the Company. Details of movement of share capital of the Company are as follow:

	Number of shares		**Share capital**	
	2013	2012	**2013**	2012
	'000	*'000*	***RMB'000***	*RMB'000*
Ordinary shares of HK$0.1 each				
Authorised				
At 1 January and 31 December 2013	**10,000,000**	10,000,000	**N/A**	N/A
Issued				
At 1 January and 31 December 2013	**1,830,000**	1,830,000	**149,137**	149,137

All shares in issue rank pari passu in all respects.

OPERATION REVIEW

As the Company acquired two new businesses in the first half of 2013, in order to have a better understanding on the business of the Group, the Group will analyse its business by dividing it into three segments, being iron ore business (business of Shenyang Toyo Steel Utility Co., Ltd and its subsidiaries, excluding Yingkou Xinwang Alloy Furnace Charge Co., Ltd. (營口鑫旺合金爐料有限公司)), nickel ore business (business of Hanking (Indonesia) Mining Limited and its subsidiaries, including Yingkou Xinwang Alloy Furnace Charge Co., Ltd. (營口鑫旺合金爐料有限公司)) and gold mining business (business of Hanking Australia Pty Ltd and its subsidiaries), respectively.

Iron ore business

In 2013, the growth rate of China's gross domestic product ("GDP") was 7.7%, representing a slight decrease as compared to 7.8% in 2012; in 2013, the growth rate of China's fixed assets investment was 19.6%, representing a decrease of 0.7 percentage point as compared to 20.3% in 2012. Although the growth rate of China's GDP and fixed assets investment slowed down, the pig iron and crude steel output of China reached 709 million tons and 779 million tons in 2013 and hit record highs respectively, being an increase of 6.2% and 7.5% as compared to 2012 respectively; the growth rates were also significantly higher than those of 2012 (being 3.7% and 3.1% respectively).

The increase of steel and iron output boosted the demand for iron ore. In 2013, China's apparent demand for iron ore was 1.134 billion tons, being an increase of 6.2% as compared with 2012; the continuous growth of the apparent demand for iron ore kept the price of iron ore more stable than those of other commodities; the average price of China's imported iron ore (62% grade, CFR price) was US$135.30/ton in 2013, higher than US$131.01/ton in 2012. In 2013, the average sales price of iron ore concentrates of the Company was RMB854/ton (2012: RMB830/ton), representing an increase of 2.89% as compared to the corresponding period of last year.

In 2013, the technology upgrading and expansion project of phase II of the first processing plant of Aoniu Mine and the construction of the new processing plant of Maogong Mine with an annual processing capacity of 3 million tons were completed, and both plants were put into operation. These two processing plants were the few processing plants which had an annual processing capacity of 3 million tons in the northern China, and were also among the few iron ore processing plants which applied new technology of high pressure roller grinding. This took the raw iron ore processing capacity of the Group to reach 10 million tons for the first time, laying a solid foundation for the increase in output of iron ore concentrates of the Group in 2014. Enhancement of scale and application of new technology of the new processing plants further strengthened the Group's core competitiveness of low cost operation, and also significantly improved the Company's capability of value creation for shareholders.

The Group increased stripping according to the schedule in 2013 to improve current mining quantity and mining potential of each mine. The amount of mined iron ore was 6,281 thousand tons (2012: 6,934 thousand tons). The output of iron ore concentrates was 1,640 thousand tons (2012: 1,638 thousand tons), and the sales amount of iron ore concentrates reached 1,607 thousand tons (2012: 1,623 thousand tons).

The revenue of iron ore business was RMB1,372,505,000 in 2013 (2012: RMB1,361,138,000), representing a year-on-year increase of 1%, with an earnings before interest, taxes, depreciation and amortization ("**EBITDA**") of RMB647,116,000 (2012: RMB641,524,000), representing a year-on-year increase of RMB5,592,000, which was mainly due to the increase in average unit selling price of iron ore concentrates. The profit margin of EBITDA was 47.15% (2012: 47.13%), representing an increase of 0.02 percentage point as compared with that of last year.

As the average cash operation cost per ton of iron ore concentrates of all mines was RMB354 (2012: RMB355), the Group continued to maintain its significant competitive edge in its low cost advantage among the industry.

Nickel ore business

The Company successfully acquired 52.5% equity interest of laterite nickel mine located in North Konawe Regency, South-East Sulawesi, Indonesia in the first half of 2013, which possessed 351 million tons of resource with Ni grade above 1%. After the acquisition, through the reassessment of various drilling materials and market survey data of mines, the Company found that "high TFe low Ni" ores was a kind of resource with high market value. According to the evaluation made by CSA Global Pty Ltd, newly increased resources with high TFe and low Ni was up to 90.54 million tons, which further enhanced the potential profitability and overall value of the project.

The project of North Konawe Regency laterite nickel mine includes three project companies, being PT Konutara Sejati ("**KS**"), PT Karyatama Konawe Utara ("**KKU**"), PT Konutara Prima ("**KP**") respectively. KS had already got the capability of mining and was under mining activities at the time of the acquisition. After the completion of the acquisition, the Company focused on construction of mining facilities of KKU, including the construction of stope, road for the ore transportation, dock and camp. Meanwhile, the Company also optimized the layout of the stope of KS to increase its mining capability. The annual mining capability of the North Konawe Regency laterite nickel mine project reached 2 million tons at the end of 2013.

North Konawe Regency laterite nickel mine project is also gradually constructing ferronickel smelting facilities on the site where the project is located as planned, so as to increase the additional value of nickel ore to meet the requirements of related supervisory policies of Indonesia.

The Company exploited 780 thousand tons (2012: 219 thousand tons) of all sorts of lateritic nickel ore under the North Konawe Regency laterite nickel mine project in 2013 and realized sales of 315 thousand tons (2012: 139 thousand tons).

The Indonesian government authorities promulgated a regulation (the "**Government Regulation**") on 13 January 2014, pursuant to which all holders of mining production operation licenses shall undertake mineral processing and refining within the territory of Indonesia in order to export a certain amount of products. In response to the Government Regulation, the Ministry of Energy and Mineral Resources issued the Regulation of the Minister of Energy and Mineral Resources No. 01/2014 concerning Increasing of Mineral Value Added through Mineral Processing and Refining Activities in Indonesia (the "**ESDM Minister Regulation**"), which imposes the minimum standards on mineral processing and refining in Indonesia. The new ESDM Minister Regulation mainly imposes timing and quantitative restrictions on export of extracted mineral products as well as the minimum standards on processing and refining in Indonesia. Key minerals, such as nickel, bauxite, lead zinc, gold, silver and chromium are required to be purified and there is no transitional product for the purification process. Meanwhile, minerals such as copper, iron sand, iron ore, tin, zinc and manganese are allowed to be exported as concentrates until the construction of purification facilities is completed, but no later than the expiration of the three years after the issuance of the ESDM Minister Regulation (i.e. 12 January 2017).

In accordance with the Government Regulation, the North Konawe Regency laterite nickel mine project has suspended nickel production. The "high TFe low Ni" products of the North Konawe Regency laterite nickel mine project may be declared and exported as the iron ore product provided for in the ESDM Minister Regulation; upon the issuance of the implementation rules of the ESDM Minister Regulation, the North Konawe Regency laterite nickel mine project will immediately resume production and sale.

The revenue of nickel ore business was RMB82,293,000 in 2013 (2012: RMB36,102,000), representing a year-on-year increase of 127.95%, with an EBITDA of RMB-43,723,000 (2012: RMB-88,024,000), representing a year-on-year increase of RMB44,301,000, which was mainly due to the sale of nickel ore with high TFe low Ni resulting in an increase in revenue. The profit margin of EBITDA was -53.13% (2012: -243.82%), representing an increase of 190.69 percentage points as compared with that of last year.

Gold mining business

In the first half of 2013, the Company successfully acquired 100% equity interest of the SXO Gold Project, which is located at the center of world-famous Yilgarn goldfield in Western Australia and whose cumulative production of gold is over 10 million ounces. The SXO Gold Project owns 932 square kilometres of exploration and mining licenses, covering a greenstone of about 120 kilometers. After completion of the acquisition, the Company has accomplished the transfer of assets, maintenance of existing mining and ore processing facilities; reorganization of the previous teams; reduction of fixed operating costs, including electricity costs, through renegotiation; redesign and implementation of the drilling plans. A drilling program was completed at the Frasers South gold deposits with each drill hole intercepted gold mineralization. Therefore, an amount of 781,000 tons of iron ore resources was upgraded from inferred to indicated category, and the gold resources was increased by 99,000 ounces. It has an indicated, proven, inferred gold resources, as defined under the JORC Code, of approximately 2.5 million ounces at an average grade of 3.7 g/t gold. All of newly increased resources was located at areas near the ground surface and suitable to be excavated by open-pit mining. The SXO Gold Project has sound infrastructure, including a well conditioned ore processing plant with an annual processing capacity of 2.4 million tons.

In 2013, the gold mining business did not carry out production. The Group will develop and implement gold production plans on the basis of the progress of supplementary exploration and level of gold price. Meanwhile, the Group is also actively exploring making use of existing assets of the gold mine, including the processing plant and the life camp, to maximize the value of such assets.

In 2013, the gold mine project of the Group did not realize sales, with an EBITDA of RMB-44,108,000 (2012: RMB-1,222,000).

FINANCE REVIEW

1. Revenue, Cost of Sales, Gross Profit

For the year of 2013, the Group's revenue was approximately RMB1,455,505,000, representing an increase of RMB58,265,000 or 4.17% over the corresponding period of last year, mainly due to the increase in average unit selling price of iron ore concentrates and the increase in the revenue from the sale of nickel ore with high TFe and low Ni.

For the year of 2013, the Group's cost of sales was approximately RMB663,501,000, representing an increase of RMB15,061,000 or 2.32% over the corresponding period of last year, mainly due to the increase in iron ore costs and the increase in the nickel ore output.

For the year of 2013, the Group's gross profit was approximately RMB792,004,000, representing an increase of RMB43,204,000 or 5.77% over the corresponding period of last year. As compared to the corresponding period of last year, gross profit margin of the Group slightly increased from 53.6% to 54.4% in 2013 which was mainly due to the increase of average unit selling price of iron ore concentrates and the improvement in the profitability of the nickel ore mines.

2. Other Income and Expenses

For the year of 2013, the Group's other income was approximately RMB7,676,000, representing a decrease of RMB6,950,000 or 47.52% over the corresponding period of last year. Other income mainly included interest income and investment income.

For the year of 2013, the Group's other expenses were approximately RMB38,711,000, representing an increase of RMB27,626,000 or 249.22% over the corresponding period of last year. Other expenses consisted of foreign exchange loss, loss from disposal of properties, plants and equipment, charity donation and other overheads.

3. Selling and Distribution Expenses, Administrative Expenses

For the year of 2013, the selling and distribution expenses of the Group were approximately RMB50,726,000, representing a decrease of RMB5,127,000 or 9.18% as compared to the corresponding period of last year, which was mainly due to the drop in the transportation costs as the sales of nickel ore in Indonesia were mainly charged at FOB price. Selling and distribution expenses consist of transportation expenses, labour expenses and others.

For the year of 2013, the administrative expenses of the Group were approximately RMB309,557,000, representing an increase of RMB62,421,000 or 25.26% as compared to the corresponding period of last year. The main reason for the increase was the newly generated administrative expenses from the gold mining business acquired during the period and the non-recurring expenses of RMB17,104,000 generated from share awards granted to the management by controlling shareholders. Administrative expenses included remuneration paid to the Group's management and administrative staff, depreciation and amortization, leasing and office expenses, business development expenses, professional consultation and service expenses, taxation expenses, bank charges, inventory depreciation reserves, accrued doubt debt reserves and others.

4. Financing Cost, Income Tax Expense

For the year of 2013, the financing costs of the Group were approximately RMB123,178,000, which increased by RMB36,391,000 or 41.93% as compared to the corresponding period of last year. The change was mainly due to the increase of the borrowing interest generated from the increase of the Company's borrowings and the increase of discount expenses of acceptance bill during the period. Financing costs included bank borrowing interest expenses, discount expenses, other financial expenses and the amortization of the long-term payable discount charges.

For the year of 2013, the income tax expenses of the Group were approximately RMB123,919,000, which decreased by RMB4,825,000 or 3.75% as compared to the corresponding period of last year. Income tax expenses included the total amount of tax currently payable and deferred tax. For the years of 2012 and 2013, according to the deducted tax in the consolidated statement of comprehensive income and profit before tax, the effective tax rate of the Group was 35.51% and 44.66% respectively. The reason for the increase was that the cost and loss generated from overseas business in the period was not deductible for the purpose of PRC income tax.

5. Fair Value Gains on Available-for-sale Financial Assets

In the year of 2013, the fair value gains on available-for-sale financial assets of the Group was RMB22,501,000, which was attributed to the increase of value of shares in the Australia listed company held by the Group.

6. Profit and Total Comprehensive Income for the Period

Based on the reasons mentioned above, the profit of the Group for 2013 was RMB153,589,000, representing a decrease of RMB80,232,000 or 34.32% as compared to the corresponding period of last year; provided excluding the non-recurring expenses of RMB17,104,000 generated from the share awards granted to the management by controlling shareholders, then the profit for the period would be RMB170,693,000, representing a decrease of 27% as compared to the corresponding period of last year. The net profit margin of the Group for the reporting period was 10.55%, while the corresponding period of the previous year was 16.73%. The decrease was mainly due to the above combined factors.

Based on the profit for the period, and affected by the gains on changes in fair values of financial assets available for sale and foreign currency translation, the comprehensive income for the year of 2013 was approximately RMB143,679,000, representing a decrease of RMB87,936,000 or 37.97% as compared to the corresponding period of the previous year.

7. Properties, Plants and Equipment, Inventories

For the year of 2013, the properties, plants and equipment of the Group were approximately RMB1,376,231,000, representing an increase of approximately RMB470,713,000 or 51.98% as compared to the previous year. The increase was mainly due to the acquisition of Australia gold mine assets and the expansion of the production capacity through construction of plants and procurement of machine and equipment during the period.

For the year of 2013, the inventories of the Group were approximately RMB170,308,000, representing an increase of approximately RMB72,930,000 or 74.89% as compared to the previous year. The increase was mainly due to the increase of inventories at the end of the period by Benxi Mine to reserve ore for the production at the beginning of this year and the increase of reserves of ore for Indonesia nickel ore project.

8. Trade and Other Receivables, Trade and Other Payables

For the year of 2013, the trade receivables of the Group was approximately RMB194,890,000, representing an increase of approximately RMB19,212,000 over the previous year. For the year of 2013, the other receivables of the Group was approximately RMB227,250,000, representing a decrease of approximately RMB13,851,000 as compared to the previous year.

For the year of 2013, the trade payables of the Group was approximately RMB59,782,000, representing an increase of RMB29,685,000 as compared to the previous year. The increase was mainly due to the extension of the credit period from the Company by the suppliers.

For the year of 2013, the other payables of the Group was approximately RMB292,913,000, representing an increase of RMB49,544,000. The main reason for the increase was the project funds payables and guarantee increased as more projects are under construction for the period.

9. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows for the year of 2013 was set out below:

	For the year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Net cash flows from operating activities	**182,137**	382,649
Net cash flows used in investing activities	**(664,325)**	(381,071)
Net cash flows from financing activities	**271,679**	230,433
Net (decrease) increase in cash and cash equivalents	**(210,509)**	232,011
Cash and cash equivalents at the beginning of the year	**581,960**	352,650
Effect of changes in foreign exchange rate on cash and cash equivalents	**(1,456)**	(2,701)
Cash and cash equivalents at the end of the year	**369,995**	581,960

The net cash inflow from the operating activities during the year of 2013 was RMB182,137,000, which was mainly attributed to the profit before tax of RMB277,508,000, together with depreciation and amortization of RMB164,575,000, the increase of RMB42,378,000 in payables and non-cash financial cost of RMB30,923,000 were partially offset by the increase of RMB72,930,000 in inventories and income tax paid of RMB248,474,000.

For the year of 2013, the net cash outflow from investing activities amounted to RMB664,325,000, which mainly reflected the amount of RMB468,154,000 used in the newly opened plants and machine equipments etc. in order to expand production and properties acquisition, the amount of RMB51,182,000 used in the acquisition of lands, and the amount of RMB47,103,000 for the payment of environmental protection margin for the Australian gold mine and the amount of RMB107,119,000 used as consideration for the acquisition of intangible assets.

For the year of 2013, the net cash inflow generated from the financing activities was RMB271,679,000, which was mainly from the newly added banking borrowing of RMB2,410,359,000 and the increase of capital contribution from minority interests of RMB120,000,000. The net cash inflow was offset by the repayment of bank loans of RMB1,330,874,000, the repayment of bank loan deposit of RMB460,000,000, the distribution of dividend to shareholders of RMB36,600,000, the repayment of the borrowings to the connected parties of Indonesia nickel mine of RMB225,220,000 and the payment of the acquisition of equity interests in Shangma Mine and in the Indonesian nickel mine of RMB205,788,000.

10. Cash and Borrowings

As of 31 December 2013, cash balance of the Group amounted to RMB829,995,000, representing an increase of approximately RMB248,035,000 or 42.62% compared to the end of last year. The main reason for the increase was an increase in bank loan deposit of RMB460,000,000.

As of 31 December 2013, the balance of bank borrowings of the Group was RMB1,868,095,000, representing an increase of RMB1,068,095,000 as compared to the end of last year. In addition to the information disclosed above or otherwise in this announcement, the Group has no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, borrowing, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities. The directors of the Company have confirmed that, save for the information disclosed above, there has been no material changes in the indebtedness and contingent liabilities of the Group since 31 December 2012.

11. Gearing Ratio, Interest Rate Risk, and Foreign Exchange Risk

The gearing ratio of the Group increased from 53.85% in 31 December 2012 to 65.23% in 31 December 2013, which is calculated by dividing the total liabilities by the total assets.

The interest rate risk in the fair value of the Group mainly relates to the bank borrowings. The bank borrowings of the Group are usually due within one year, and therefore, the interest rate risk in its fair value is relatively remote. There is no interest rate hedging policy currently prevailing in the Company. Nevertheless, the management of the Group monitors the interest rate risk, and may consider taking hedging measures as needed on the occurrence of significant interest rate risks.

The main businesses of the Group are located in China, and its major operating transactions are dominated in RMB. Most of the assets and liabilities of the Group are dominated in RMB. Since RMB is not freely convertible, the risk that the China government may take measures to interfere the exchange rates, may bring effects to the Group's net asset value, profit and the dividends declared to the extent that such dividends are subject to foreign exchange. Meanwhile, the Group acquired mining assets in Indonesia and Australia in 2013. Their assets and liabilities are dominated in Indonesian Rupiah and Australian dollar respectively, which are affected by the foreign exchange rate and accordingly affecting net assets and revenue of the Group. Given that fluctuation in the foreign exchange rate has no material impact on the cashflow of the Group, we have no hedging measures against such exchange risks. The management of the Group will continue to monitor the currency matching between the revenue and costs of the Group and the exchange risks, and may consider taking appropriate measures to hedge material exchange risks when necessary.

12. Assets Securities and Contingent Liabilities

Some of the bank borrowings of the Group are secured by the mining rights certificates. As of 31 December 2013, the aggregate net carrying value of the assets used as securities amounted to RMB287,150,000.

As of 31 December 2013, the Group had no material contingent liabilities.

13. Material Acquisitions and Disposals of Assets

As of 31 December 2013, the Group has acquired 52.5% equity of the laterite nickel ore project in North Konawe, South-East Sulawesi Indonesia and 100% equity of the SXO Gold Mine Project at the center of world-famous Yilgarn goldfield in Western Australia.

As at 31 December 2013, the Group had no material disposal of assets.

14. Capital Expenditure

The Group's capital expenditure increased from approximately RMB381,071,000 in 2012 to approximately RMB664,325,000 in 2013. Expenditure incurred in 2013 mainly included (i) expenditure for acquisition of property, plant and equipment amounting to RMB468,154,000; (ii) expenditure for acquisition of intangible assets amounting to RMB107,119,000; and (iii) expenditure for acquisition of lands amounting to RMB51,182,000.

15. Capital Commitment

In 2013, the capital commitment of the Group was RMB340,455,000, representing an increase of RMB201,607,000 or 145.2% over last year. The capital commitment mainly consisted of the amount of RMB233,846,000 for the underground mining works of Maogong Mine, the amount of RMB27,887,000 for the underground mining works of Benxi Mine and Aoniu Mine and the amount of RMB69,119,000 for the Indonesian smelting project. The increase in capital commitment was mainly due to the increase in new construction projects of the Company.

OUTLOOK

In 2013, the growth rate of China's economy slightly slowed down and is widely expected to further slow in 2014; as regards the external environment, the U.S. Federal Reserve has taken steps to taper its quantitative easing policy, throwing continuous pressure on prices of global commodities and precious metals; meanwhile, mining enterprises also generally exposed to such pressures as constantly increasing operating costs, increasing local community needs and increasingly stringent government supervision. In such an environment, mining enterprises are entering the restructuring period.

Having been listed in 2011, the Company developed the strategies of minerals limited diversification and internationalization and has made significant progress after more than two years' accumulation and breakthrough. The Company has significantly enhanced the production capacity of the iron ore business and the sustainable development capacity, extended the business scope to the fields of nickel mine and gold mine and extended the operation regions from China to Indonesia and Australia.

Looking forward, the Company will continue to focus on improving productivity, sustainable cost management and shareholder value. The Company will improve the efficiency of development and utilization of the mines through scale operation and large equipment; utilize appropriate application models and reporting systems to track and assess the costs of the entire process so as to improve decision-making and assets efficiency; place greater emphasis on the improvement of results with technology. The mines of the Company have applied the technologies of centralized control, automation and production visualization to further enhance productivity and achieve continuous improvement.

While harvesting the benefits of the existing mine projects, the Group will also make cautious expansion and acquires high-quality projects when the industry is in the trough of the circle, so as to continuously increase resource reserve and operation scale of the Group and continuously create more value for shareholders of the Company.

OTHERS

1. Dividend

The Board recommended the payment of the final dividend for the year ended 31 December 2013 to the shareholders of the Company, with RMB0.02 per share. The payment of the dividend will be conditional upon the approval of the shareholders at the annual general meeting of the Company to be held on Thursday, 29 May 2014.

2. Closure of Register of Members

The register of members of the Company will be closed from Friday, 23 May 2014 to Thursday, 29 May 2014 (both days inclusive, 5 business days in total) to determine the entitlement to attend and vote at the annual general meeting and from Friday, 6 June 2014 to Friday, 13 June 2014 (both days inclusive, 6 business days in total) to determine the entitlement to the final dividend during which periods no transfer of shares will be registered. In order to attend and vote at the 2014 annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 22 May 2014. In order to participate in the payment of a final dividend in respect of the year ended 31 December 2013, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 5 June 2014.

3. Management Contracts

For the year ended 31 December 2013, there is no contract entered into by the Company relating to its management and administration or subsisting during the year which is substantial to the entire or any part of the business of the Group.

4. Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2013.

5. Non-competition Agreement Compliance

The Company signed a non-competition agreement (the "**Non-Competition Agreement**") with the controlling shareholders on 16 June 2011. In accordance with the Non-Competition Agreement, the independent non-executive directors of the Company is responsible for reviewing and considering whether exercising such option and pre-emptive right, as well as entitled to conduct annual review of implementation of the agreement on behalf of the Company. During the year of 2013, each controlling shareholder of the Company has made annual confirmation of compliance of the Non-Competition Agreement, and the independent non-executive directors of the Company have also reviewed the implementation of the Non-Competition Agreement, and confirmed that the controlling shareholders have fully abided by the agreement without any breach of the agreement.

6. Compliance with Corporate Governance Code

During the period between 1 January 2013 to 31 December 2013, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), meanwhile, the Company has complied with most of the best practices as recommended therein.

7. Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules, and also formulated the Written Guidelines for Dealings in the Company's Securities by the Directors and Relevant Employees (the "**Company Guidelines**"), which adopted rules equivalent to Appendix 10 to the Listing Rules as its own code of conduct regarding the dealings in the Company's securities by the directors of the Company and relevant employees. Specific enquiry has been made to all the directors of the Company and the directors of the Company have confirmed that they have complied with the Model Code and the Company Guidelines throughout the year ended 31 December 2013.

8. Significant Legal Proceedings

For the year ended 31 December 2013, the Group has not been involved in any significant legal proceedings or arbitration. To the knowledge of the directors of the Company, there are no significant legal proceedings or claim pending or threatened.

9. Audit Committee

The audit committee under the Board of the Company has reviewed the announcement for Annual Results for 2013 and the financial statements for the year ended 31 December 2013.

10. Auditor

The consolidated financial statements for the year ended 31 December 2013 has been audited by Deloitte Touche Tohmatsu with unqualified opinion.

11. Publication of Annual Report

The 2013 annual report for the year containing all applicable data required by the Listing Rules, together with the Environmental, Social and Governance Report, will be dispatched to shareholders of the Company and published in the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hankingmining.com) in due course.

APPRECIATION

The Board of the Company would like to express sincere gratitude to all the employees of the Group, for their persistent effort in working, which contributed to the competitive advantage of the Group among the challenging market. We also would like to express our thanks to the government, shareholders of the Company and other related parties for their consistent support and trust to the Group.

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

Shenyang, the PRC, 18 March 2014

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