

PRESS RELEASE

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China Hanking Holdings Limited

(Stock Code : 3788. HK)

China Hanking' s 2016 Annual Results Improve Significantly Committed to Creating A Financial Mining Group Across the Whole Industry Chain

(On 22 March 2017, HongKong) China Hanking Holdings Limited(“China Hanking” or “The Company” ; Stock Code:3788.HK) announced The Company with its subsidiaries’ (“The Group”) annual results for the year ended 31 December 2016 (“The Period”).

Review the Period, the Group recorded the revenue of RMB1,707,198,000, representing a significant increase of RMB487,447,000 , climbed by 39.96% year-on-year; The gross profit amounted to RMB295,580,000, representing an increase of RMB5,050,000, up 1.74% slightly year-on-year. The net profit in loss was RMB213,877,000, representing a decrease in loss of RMB187,801,000 , dropped dramatically by 46.75% year-on-year.

During the Period, the Company shows obvious improvement on the financial

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performance, which represents a substantial increase in revenue and dramatic rally in loss. Owing to the gold mining business was put into the annual production stage, the sales revenue of the gold business rose up to RMB894,981,000, indicating an increase of 205.94% year-on-year, and the provision for asset impairment of the Group was reduced to RMB57,678,000, indicating a cut-down of RMB180,953,000 year-on-year. And it was mainly attributed to no impairment identified on any other assets of the Group after testing during the year except the asset impairment provision of Xingzhou Mine due to its overall production suspension and impairment provision on other receivables. Furthermore, the finance costs of the Group for the year dropped by 32.74% year-on-year, and the administration expenses reached a year-on-year decrease of 21.12% by simplifying operation process and fine-tuning production, coupled with strict capital and financing cost control, demonstrating continuous improvement in management.

In 2013, the Company seized a favorable opportunity to acquire the 100% equity interests of the SXO Gold Project at the price of AUD\$19.7 million. Through extensive exploration and development in the early stage, the SXO Gold Project was put into commercial production from August 2015. More than that, by conducting optimizations of production plans during the Period, the Group achieved 121,456 ounces gold in output, representing a year-on-year increase of 106%, while the sales volume of total gold reached 121,032 ounces, representing a year-on-year increase of 116%. On February 2017, the Company grasped another

market window once again to have sold SXO Gold Project at the price of AUD330 million based on the enterprise value, expecting to record an unaudited gain of RMB701 million. Within a merely 3-year investment cycle, the value of the Gold Project was enormously enhanced, in which will bring substantial returns to the Company.

In 2016, the de-capacity measures implemented by the Chinese government processed efficiently and the revised forecast for capacity utilization of the downstream sectors supported the rebar price to go up, which was attributable to the supply-demand rebalance and in turn drove the iron ore price to surge. During the Period, the Group continued to implement the strategy of adjusting production layout of the iron ore business according to the market condition as proposed by the Board, suspended the production at Xingzhou Mine and Shangma Mine, and transferred 100% equity interest in Benxi Mining which was not economically in production to an independent third party, at the same time, took initiatives to reinforce the output and quality of iron ore concentrates of its key mine – Maogong Mine. In 2016, the output of iron ore concentrates from Maogong amounted to 846,000 metric tons, representing a year-on-year increase of 30.35%, with an average grade of 68.33%, which means the production output structure was managed to improve effectively. Although the output and sales volume of iron ore concentrates decreased thereupon, the Group improved the grade and recovery rate of the products through optimization of production structure,

continuous technology upgrading and strict cost control, so that the production efficiency was increasingly enhanced, leading to a reduction in the production costs significantly. The average cash operation costs of per metric ton of iron ore concentrates were cut down to RMB260, representing a year-on-year decrease of 18%; the gross rate was 29.41%, increased 12 percentages year-on-year. The Group's competitive advantage of low-cost remained consistently.

The Group acquired the 52.5% equity interests of laterite nickel project located in North Konawe Regency, Southeast Sulawesi, Indonesia (the "Nickel Project") in the first half of 2013, and the production from the nickel project was suspended due to Indonesian policy changes in 2014. As of the end of 2016, the Company owns world-class quality laterite nickel ore resources that there are JORC Code-compliant resources of 350,925 thousand metric tons of laterite nickel ore resources at the cut-off nickel grade of 1%, with an average nickel grade of 1.37%; and resources with nickel grade lower than 1% and iron grade higher than 45% amounted to 90,540 thousand metric tons, with an average TFe grade of 50.27%. In recent years, the rapid growth of Indonesia's smelting capacity has stimulated Indonesia's demand for local iron ore, the Group therefore decided to re-prepare the nickel ore business in the first half of the year to resume nickel mining production under rigorous assessment on the macro-environment, which will positively become a foundation of earnings in 2017.

Since 2016, the iron ore industry has shown signs of upturn, coupled with the increasing demand of nickel ore, from which the Group benefited greatly.

Consequently, the three major business segments have all been in good progress up to now. The Gold Project represents a successful case of capital investment from the acquisition to the sale of the asset, reflecting Hanking's strong ability of project operation. On this basis, Hanking will commence to develop itself as a financial mining group across the whole industry chain step by step, targeting on "discover, explore and value realization", and looking to cooperate with different social aspects at the appropriate time for a new round of capital operation, therefore maximize the value of mining projects. In the later stage, it would not be excluded to operate in the mode of subsequent or back-end management to participate in project operations. Meanwhile, with fulfillment of value-creation of the iron ore and nickel business, China Hanking will continue to promote the value of the two core businesses with efforts to maintain the competitive edge of low-cost. The Group will also adhere to the strategy of diversified mining and internationalized operation, so as to create more of returns to shareholders for their long-term supports.

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About China Hanking Holdings Limited(Stock Code:3788.HK)

China Hanking Holdings Limited was incorporated in the Cayman Islands on 2 August 2010, and was listed on the Hong Kong Stock Exchange on 30 September 2011 (Stock code: 03788). The Group is an international mining group of companies with three major business segments (i.e. gold, iron ore and nickel), and engaging in exploration, mining, processing, smelting and marketing of mineral resources with mining assets located in Australia, the PRC and Indonesia. Upholding the core value of “people-first and business integrity” and adhering to the principles of “safety, harmony and green mine”, the Group committed to fulfilling its enterprises' social responsibilities.

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