

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Ding He Mining Holdings Limited

鼎和礦業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 705)

**DISCLOSEABLE TRANSACTION
AND
GRANT OF SHARE OPTIONS**

DISCLOSEABLE TRANSACTION

The Board announces that, on 14 February 2018, the Company entered into the Agreement with the Target Company, pursuant to which, the Company will subscribe for, and the Target Company will allot and issue, the Subscription Shares, which represented approximately 40% of the issued shares of the Target Company as enlarged by the issuance of Subscription Shares.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) calculated under the Listing Rules in relation to the transactions under the Agreement exceed 5% but all below 25%, the transactions under the Agreement constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GRANT OF SHARE OPTIONS

The Board resolved to grant a total of 300,000,000 Share Options under the share option scheme adopted by the Company on 4 February 2016 to six eligible participants.

DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 23 January 2018 in relation to the entering into of equity acquisition memorandum of understanding.

The Board announces that, on 14 February 2018, the Company entered into the Agreement with the Target Company, pursuant to which, the Company will subscribe for, and the Target Company will allot and issue, the Subscription Shares, which represented approximately 40% of the issued shares of the Target Company as enlarged by the issuance of Subscription Shares, at the Consideration of HK\$6,700.

THE AGREEMENT

The major terms of the Agreement are set out as follow:

Date

14 February 2018

Parties

1. The Company
2. The Target Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Target Company and its ultimate beneficial owners are independent of the Company and its connected persons (as defined in the Listing Rules).

SUBJECT MATTER

Pursuant to the terms of the Agreement, the Company will subscribe for, and the Target Company will allot and issue, the Subscription Shares, which represented approximately 40% of the issued shares of the Target Company as enlarged by the issue of the Subscription Shares, at the Consideration of HK\$6,700. As at the date of this announcement, the total number of issued shares of the Target Company is 10,000 Shares. Upon the completion of the Subscription, the total number of issued shares of the Target Company as enlarged by the allotment and issuance of Subscription Shares will be 16,700 Shares, which means the Company will own approximately 40% of its total shares.

THE CONSIDERATION OF THE SUBSCRIPTION SHARES

The Consideration of the Subscription Shares will be HK\$6,700, being HK\$1.00 per Subscription Share. The Consideration was determined after arm's length negotiation between the Company and the Target Company with reference to the share capital of the Target Company.

The Consideration will be funded by internal resources of the Company.

COMPLETION

Completion shall take place within seven working days from the signing of the Agreement.

Upon the completion of the Subscription, the Company will hold 40% of the enlarged issued share capital of the Target Company and the Target Group will become an associate of the Group.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability and an investment holding company. The subsidiaries incorporated in the PRC of the Target Group include Beijing Guosheng Future Corporate Management Co., Ltd.* (北京國盛未來企業管理有限公司) and Guocai Shenglin E-commerce Co., Ltd.* (國采盛麟電子商務有限公司) and are principally engaged in the import and distribution of import goods, operation of industrial park, logistics management, trade supply chain finance and B2C e-commerce businesses. The Target Company aims to build a big data platform of “Import and Export + Internet” and establish an industrial ecological chain of cross-border trade by taking advantages of the benefit from the Belt and Road policy, whereby effectively integrating various industries such as global sourcing goods, national distribution networks, domestic industrial parks, supply chain finance and logistics bases to form a big data platform and transform them into economic and social values.

According to the abstracts from the unaudited consolidated accounts of the Target Group as at 31 December 2017, its net assets and total assets were RMB1,855,900 and RMB5,420,900 respectively.

There is no financial information for 2016 as the Target Group commenced operation in 2017. The financial results of the Target Group, based on the abstracts from its unaudited consolidated accounts for the year ended 31 December 2017, are as follows:

	Year ended 31 December 2017 (RMB)
Net loss before tax and extraordinary items	(1,459,842)
Net loss after tax and extraordinary items	(1,459,842)

STRUCTURE OF THE TARGET GROUP

Set out below is the structure of the Target Group:



REASONS AND BENEFITS FOR THE AGREEMENT AND THE TRANSACTIONS THEREUNDER

The Group is principally engaged in (i) the mining of dolomite and manufacture of magnesium ingots in Malaysia; (ii) bottling and sale of mineral water in the People's Republic of China; and (iii) exploration of mining resources in the Republic of Indonesia.

The Group is committed to expanding other business to bring returns to itself. The big data platform of the Target Group is able to cater to the market needs, which meets the long-term development strategy of the Group.

Based on the abovementioned, the Directors believe that the terms of the Agreement are fair and reasonable and in the interest of the Company and its shareholders as whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) calculated under the Listing Rules in relation to the transactions under the Agreement exceed 5% but all below 25%, the transactions under the Agreement constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GRANT OF SHARE OPTIONS

The Board resolved to grant a total of 300,000,000 share options (the “**Share Options**”) under the share option scheme adopted by the Company on 4 February 2016 to six eligible participants (the “**Grantees**”), details of which are set out below:

Date of grant (the “ Date of Grant ”)	:	14 February 2018
Exercise price of the Share Options granted	:	HK\$0.06 per Share (being not less than the higher of: (i) the closing price of HK\$0.049 per Share as quoted in the Stock Exchange’s daily quotation sheet on the Date of Grant; and (ii) the average closing price of HK\$0.047 per Share as quoted in the Stock Exchange’s daily quotation sheets for the five business days preceding the Date of Grant)
Number of Share Options granted	:	300,000,000 Share Options, each Share Option entitling the Grantees to subscribe for one Share
Closing price of the Share on the Date of Grant	:	HK\$0.049 per Share
Validity period of the Share Options	:	From 14 February 2018 to 13 February 2019

None of the Grantees is a Director, chief executive or substantial shareholder of the Company or any of their associates (as defined under the Listing Rules).

The Grantees include Mr. Yuan Hongbing, the shareholder of the Target Company, and senior management of the Target Company. The purpose of granting Share Options is to provide the Grantees with incentives for the business development of and returns generating from the Target Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement”	the subscription agreement dated 14 February 2018 entered into between the Company and the Target Company
“Board”	the board of Directors
“Company”	Ding He Mining Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 705)
“Directors”	directors of the Company
“Consideration”	the consideration of HK\$6,700 for the subscription of Subscription Share(s), being HK\$1.00 per Subscription Share
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Target Company”	Create Holding Co., Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	Target Company and its subsidiaries incorporated in the PRC (including Beijing Guosheng Future Corporate Management Co., Ltd.* (北京國盛未來企業管理有限公司) and Guocai Shenglin E-commerce Co., Ltd.* (國采盛麟電子商務有限公司))

“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription of Subscription Share(s) at the Consideration by the Company according to the Agreement
“Subscription Share(s)”	6,700 new shares in the share capital of the Target Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By Order of the Board
Ding He Mining Holdings Limited
Du Jian Jun
Chairman and Executive Director

Hong Kong, 14 February 2018

As at the date of this announcement, the executive Directors are Mr. Du Jian Jun, Ms. Lu Sufang, Mr. Leung Wai Kwan, Mr. Yin Shibo, Mr. Fan Weipeng and Mr. Chen Liang, and the independent non-executive Directors are Ms. Wong Chi Yan, Mr. Chan Wai Kit and Mr. Yuan Guangming.

* *For identification only*