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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)

THE STOCK EXCHANGE'S NOTICE TO PLACE THE COMPANY IN THE FIRST DELISTING STAGE

This announcement is made by Ding He Mining Holdings Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE STOCK EXCHANGE'S NOTICE OF PLACE THE COMPANY IN THE FIRST DELISTING STAGE

The Company has received a letter dated 25 May 2018 from the Stock Exchange (the “**Letter**”) which serves as a notice under Practice Note 17 of the Listing Rules, that the Stock Exchange has decided to place the Company in the first delisting stage and to impose certain resumption conditions on the Company (the “**Decision**”) after having considered, among others, the following:

- (1) the scale of business operations of the Company have been at a very low level and the auditors have casted doubt on the Company's ability to continue as a going concern in the Group's past financial statements since financial year 2012.
- (2) the Company has never generated any revenue from the mine in Indonesia and has planned to dispose of it. Both (i) the mining of dolomite and manufacturing of magnesium ingots in Malaysia and trading of magnesium ingots in various countries and (ii) the extraction and bottling of mineral water in the PRC have a very low level of operations for years.
- (3) the profit forecast of the Group for the year ending 31 December 2018 suggests a loss in 2018 and there is no basis to support the projections in the forecast.

(4) the level of the Group's assets as at 31 December 2017 fails to demonstrate the Group has sufficient value to warrant the continued listing of the shares of the Company ("Shares").

The Stock Exchange has imposed the following resumption conditions on the Company:

- (a) demonstrate that the Company has sufficient operations or assets as required under Rule 13.24;
- (b) address the audit qualifications and publish the Company's financial statements for the year ended 31 December 2017;
- (c) inform the market of all material information of the Company.

In view of the Decision, the Company is required to submit a resumption proposal addressing the above resumption proposals at least 10 business days before the expiry of the first delisting state (i.e. 12 November 2018). At the end of the period, the Stock Exchange will decide whether to place the Company in the second delisting stage.

Under Rule 2B.06(1) of the Listing Rules, the Company has the right to have the ruling under the Decision reviewed by the Listing Committee. The Company may request that the Decision be reviewed by the Listing Committee within 7 business days of receipt of the relevant Decision (i.e. on or before 5 June 2018).

The Company is in the process of reviewing the Letter and is discussing the same with the Company's legal and financial advisers, and would actively consider lodging a request for the Decision be referred to the Listing Committee for review.

The Directors would remind the Shareholders and potential investors that (i) the Company may or may not proceed with the review by the Listing Committee; and (ii) the outcome of such review is uncertain, if undertaken.

Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules. Shareholders who have any queries about the implications of the Stock Exchange's notice to cancel the Company's listing are advised to obtain appropriate professional advice.

SUSPENSION OF TRADING OF SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2018, and will remain suspended until further notice.

By Order of the Board
Ding He Mining Holdings Limited
Liu Qiang
Chairman and Executive Director

Hong Kong, 28 May 2018

As at the date of this announcement, the executive Directors are Mr. Liu Qiang, 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.