This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are summarised in "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the largest independent privately-owned iron ore concentrate producer in Northeastern China based on our production volume of 1,315.0 Kt in 2010, according to Hatch. Our primary business operations include iron ore mining and the production and sale of iron ore concentrates. We sell our iron ore concentrates primarily to iron and steel companies in Liaoning Province, China. Several large regional iron and steel companies are located within ten to 75 km of our mines and are our major customers. With our sizeable reserves, low cost production profile, strategic location and production expansion plan, we believe we are well-positioned to capture the robust growth potential of the iron ore market in China, in particular in Liaoning Province, and to capitalize on the PRC government's policy of encouraging consolidation in the iron ore mining industry.

We produce iron ore concentrates from iron ore mined from our four mines located in Fushun and Benxi, Liaoning Province. Our mining rights for these mines cover an area of approximately 3.75 sq.km. in total. In addition, we obtained preliminary approval from the Liaoning Department of Land and Resources to expand the mining rights area of our Maogong Mine by an additional 1.71 sq.km. on December 13, 2010. According to the Independent Technical Report, the total probable iron ore reserves in our four mines were approximately 139,771.3 Kt as of June 30, 2011. We currently own and operate five iron ore processing plants, which are located in close proximity to our mines. We engage Benxi Iron Processing, a company controlled by the Controlling Shareholders which processes iron ore exclusively for us, to process the iron ore produced at our Mengjia Mine.

Our reserves

The following table summarizes certain information about our mines:

	Aoniu Mine	Maogong Mine[1]	Luobokan Mine	Mengjia Mine
Background data:				
Mining rights area (sq.km.)	1.89	0.66[2]	0.94	0.25
Current mining permit expiration date (month/year)	11/2015	11/2013	10/2011[3]	02/2015
Assessed annual production capacity (Kt)	1,200.0	350.0[2]	1,000.0	800.0
Designed annual production capacity (Kt)	1,200.0	350.0	5,000.0	800.0
Reserve data (as of June 30, 2011):				
Probable reserves (Kt)	10,085.8	12,725.3	107,187.2	9,773.0
Average iron grade (TFe) (%)	25.4	30.1[4]	26.4/19.5[5]	20.9
Mine life[6]	5.4	13.2	21.4	7.4
Production data:				
Current mining method	Open-pit	Open-pit	Open-pit	Open-pit
Ore production volume (Kt)				
2008	1,512.5	745.7	85.8	1,246.8
2009	1,584.0	878.9	123.4	1,527.2
2010	1,856.7	963.4	352.7	1,321.3
Six months ended June 30, 2011	1,059.3	366.4	57.1	619.8
Average stripping ratio from 2008 to 2010	1.96	1.06	0.67	2.18
Average recovery rate from 2008 to 2010	95%	95%	95%	95%

Notes:

(1) Our Maogong Mine was formed through the combination of our former Maogong Mine and Jingjia Mine in August 2010.

(2) On December 13, 2010, we received preliminary approval from the Liaoning Department of Land and Resources to expand the mining rights area of our Maogong Mine from 0.66 sq.km. to 2.37 sq.km. and the assessed annual production capacity from 350.0 Kt to 800.0 Kt. We have applied for a new mining rights permit for our Maogong Mine covering the expanded mining right area and expect to obtain such mining permit by the end of October 2011.

(3) We are in the process of renewing the mining permit for the Luobokan Mine and expect to obtain the renewed mining permit in October 2011.

(4) Representing the weighted average iron grade of the former Maogang Mine and Jingjia Mine.

(5) Consisting of probable reserves of 36,359.9 Kt with an average grade of 26.4% and probable reserves of 70,827.3 Kt with an average grade of 19.5%.

(6) For a given mine, calculated by dividing the probable reserves as of June 30, 2011 by the annual production volume of the mine in 2010, except for Luobokan Mine, the mine life of which is calculated by dividing its probable reserves as of June 30, 2011 by its designed annual production capacity of 5,000.0 Kt.

Our reserves generally have simple geological conditions and characteristics favorable to low-cost mining and processing, according to the Independent Technical Report. The ore in our mines generally has low levels of impurities, such as sulphur, phosphorus, silicon and titanium, the presence of which is generally undesirable for steel production. As a result, we are able to produce high quality iron ore concentrates through simple, low-cost magnetic processing methods. In 2010, our ore processing plants and Benxi Iron Processing produced iron ore concentrates with average grades between 65.1% and 66.7%. Our average cash operating costs to produce one ton of iron ore concentrates was RMB244 in 2010, ranking us among the most efficient iron ore concentrate producers in China in terms of cash operating costs, as the average cash operating cost for iron ore concentrates in China was approximately RMB500 per ton in 2009, according to Hatch. Moreover, due to the low levels of sulphur, phosphorus, silicon and titanium content, our iron ore concentrates generally command higher prices over iron ore concentrates with higher levels of such elements.

Our products

We derived 99.9%, 98.1%, 97.2%, 97.6% and 99.0% of our revenue from sales of iron ore concentrates in 2008, 2009, 2010 and the six months ended June 30, 2010 and 2011, respectively. We also generated revenue from sales of auxiliary materials. The following table sets forth our sales volumes for, average selling prices of and revenue derived from sales of iron ore concentrates for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2008	**2009**	**2010**	**2010**	**2011**
Sales volume (Kt)	1,026.2	1,528.7[(2)]	1,398.5[(2)]	756.6[(2)]	680.1
Average selling price[(1)] (RMB/ton)	917	544	902	831	1,096
Revenue from sales of iron ore concentrates (RMB'000)	941,165	831,855	1,261,711	628,588	745,095

(1) Excluding VAT at a rate of 17%.

(2) Including sales volume of iron ore concentrates produced by companies controlled by our Controlling Shareholders that are not in our Group.

Average selling price, revenue and profit and total comprehensive income

Our average selling price of iron ore concentrates and results of operations fluctuated significantly during the Track Record Period primarily due to changes in global and PRC economic conditions. Our average selling price of iron ore concentrates decreased by 40.7% from RMB917 per ton in 2008 to RMB544 per ton in 2009 due to the collapse of the global commodity market caused by the global economic downturn that began in late 2008, and increased by 65.8% to RMB902 per ton in 2010, primarily due to the recovery of the PRC economy. Our revenue decreased by 10.0% from RMB941.8 million in 2008 to RMB847.8 million in 2009, and increased by 53.0% to RMB1,297.5 million in 2010. Our profit and total comprehensive income decreased by 63.7% from RMB423.9 million in 2008 to RMB153.7 million in 2009, and increased by 222.9% to RMB496.3 million in 2010. Our average selling price of iron ore concentrates increased by 31.9% from RMB831 per ton in the six months ended June 30, 2010 to RMB1,096 per ton in the six months ended June 30, 2011. Our revenue increased by 16.8% from RMB644.3 million for the six months ended June 30, 2010 to RMB752.6 million for the six months ended June 30, 2011; however, our profit and total comprehensive income decreased by 36.3% from RMB219.2 million to RMB139.6 million over the same period, primarily due to a substantial increase in our finance costs, consisting of finance costs of RMB194.2 million arising from the Facility Loan under the Facility Agreement. We borrowed the Facility Loan primarily to finance the Reorganization in January 2011; the Facility Loan will be repaid following the Global Offering and accordingly we will not incur finance costs related to the Facility Loan in future periods.

Sales and distribution arrangements

During the Track Record Period, we carried out our sales and distribution pursuant to a series of arrangements among us and certain other companies controlled by our Controlling Shareholders that are not in our Group. In 2008, we sold most of the iron ore concentrates we produced to Fushun Hanking and Fushun Metallurgy, both of which are controlled by our Controlling Shareholders that are not in our Group. They served as the principal centralized sales channels for iron ore concentrates for the Controlling Shareholders' iron ore business in China in 2008 and resold our iron ore concentrates to their customers. In 2009 and 2010, to streamline our operations and prepare for the Listing, we and the Controlling Shareholders took steps to separate our business from the operations of those other companies controlled by them. First, Aoniu Mining, one of our subsidiaries, replaced Fushun Hanking as one of the principal centralized sales channels for the Controlling Shareholders' iron ore business in 2009. Beginning in May 2010, we ceased selling iron ore concentrates to Fushun Metallurgy and switched to selling all of our iron ore concentrates directly to our customers. In September 2010, we completed the last step of severing our sales arrangements with companies controlled by our Controlling Shareholders that are not in our Group by ceasing to purchase and resell iron ore concentrates produced by them.

The following table sets forth information regarding sales volume of iron ore concentrates for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
			(Kt)		
Sales volume of our own iron ore concentrates	1,026.2	1,197.6	1,267.4	646.7	680.1
Sales volume of iron ore concentrates produced by companies controlled by our Controlling Shareholders that are not in our Group	—	331.1	131.1	109.9	—
Total sales volume	1,026.2	1,528.7	1,398.5	756.6	680.1

Iron ore market in Liaoning

Liaoning is the second largest iron ore product consuming province in China. Liaoning's iron ore product consumption was approximately 88 Mt in 2010, accounting for approximately 9.3% of China's total iron ore product consumption that year, according to the NBSC. In 2010, China's iron ore product production was approximately 326 Mt, according to UNCTAD, and Liaoning's iron ore product production was approximately 54.7 Mt, according to Hatch, or 16.8% of China's total iron ore product production. Despite being the key iron ore product producing province in China, the local iron ore product output in Liaoning is still unable to satisfy the local demand. Iron ore products are imported from elsewhere to meet the supply shortfall. We produced 1,315.0 Kt of iron ore concentrates in 2010, or 2.4% of Liaoning's iron ore product production, according to Hatch.

Production expansion plans

We intend to expand our production capacity to capture the robust growth potential of the PRC iron ore market, in particular in Liaoning Province. We also plan to carry out underground mining at our Mengjia Mine and Luobokan Mine and are currently constructing shafts and tunnels and conducting other preparatory work at these two mines. The following table sets forth our iron ore production volume in 2010 and expected iron ore production capacity from 2011 to 2015 based on our production expansion plan and as set out in the Independent Technical Report:

		Production Volume	Expected Production Capacity				
Mine	**Mining method**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
				(Kt)			
Aoniu Mine	Open-Pit	1,856.7	2,200	2,600	2,900	3,000	3,000
Maogong Mine	Open-Pit	963.4	1,300	1,500	2,000	2,000	2,000
Luobokan Mine	Open-Pit	352.7	300	2,000	3,000	2,600	1,000
	Underground	—	—	—	—	1,400	4,000
Mengjia Mine	Open-Pit	1,321.3	800	—	—	—	—
	Underground	—	500	1,200	1,350	1,400	1,400
Total		4,494.1	5,100	7,300	9,250	10,400	11,400

To keep pace with the expected increase in our iron ore production volume, we are currently upgrading one of our processing plants adjacent to our Aoniu Mine and constructing a new processing plant for our Luobokan Mine. We expect to complete the upgrading project by August 2012 and the construction project in three phases by the end of 2014. Moreover, we intend to construct a new processing plant at our Maogong Mine with an annual iron ore processing capacity of 2,000.0 Kt and currently plan to finish constructing the plant by August 2012. For additional information regarding our expansion plan, see "Business — Our Production Operations and Facilities — Production expansion plans" and "Risk Factors — Our business expansion plan may not achieve the intended economic benefits" in this prospectus.

COMPETITIVE STRENGTHS

We have the following competitive strengths:

- Largest independent privately owned producer of iron ore concentrates in Northeastern China
- High quality iron concentrate products and favorable geological conditions of our reserves
- Well positioned to capture the growth opportunities with strategic location of our mines and processing plants in Liaoning Province
- Our management has extensive industry and management experience with an international vision

STRATEGIES

We have the following principal strategies:

- Increase our iron ore reserves
- Increase our mining and processing capacities and ramp up our iron concentrate production
- Further enhance operational efficiency and reduce operating costs

SUMMARY OF FINANCIAL INFORMATION

You should read the summary consolidated financial information set forth below in conjunction with our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus, which have been prepared in accordance with IFRS. The summary consolidated results for the three years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 and 2011, and the summary balance sheet information as of December 31, 2008, 2009 and 2010 and June 30, 2011 set forth below are derived from the Accountants' Report set forth in Appendix I to this prospectus. The basis of presentation is set forth in Note 2 to the Accountants' Report.

Consolidated Statements of Comprehensive Income

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	941,789	847,800	1,297,498	644,261	752,638
Cost of sales	(292,773)	(499,619)	(465,973)	(273,378)	(201,752)
Gross profit	649,016	348,181	831,525	370,883	550,886
Other income	497	3,068	1,546	1,316	516
Other expenses	(8,736)	(9,034)	(12,425)	(1,626)	(21,927)
Selling and distribution expenses	(206)	(16,120)	(23,208)	(13,219)	(12,503)
Administrative expenses	(53,301)	(91,407)	(94,650)	(41,477)	(66,027)
Net foreign exchange gain	—	—	—	—	4,131
Finance costs	(168)	(22,431)	(35,598)	(18,127)	(211,591)
Profit before tax	587,102	212,257	667,190	297,750	243,485
Income tax expense	(163,251)	(58,512)	(170,889)	(78,552)	(103,901)
Profit and total comprehensive income for the year/period	423,851	153,745	496,301	219,198	139,584
Attributable to:					
Owners of the Company	394,952	140,147	444,007	197,478	136,325
Non-controlling interests	28,899	13,598	52,294	21,720	3,259
	423,851	153,745	496,301	219,198	139,584
EARNINGS PER SHARE					
— Basic (RMB per share)	0.27	0.09	0.30	0.13	0.09

Consolidated Statements of Financial Position

	As of December 31,			As of June 30,
	2008	2009	2010	2011
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Non-current Assets				
Property, plant and equipment	160,282	165,186	209,803	305,147
Prepaid lease payments	28,354	32,392	107,073	204,730
Intangible assets	300,703	291,612	294,179	287,010
Deferred tax assets	3,275	4,861	2,670	12,129
Deposits on acquisition of property, plant and equipments	11,705	11,648	16,606	6,961
	504,319	505,699	630,331	815,977
Current Assets				
Inventories	37,696	51,463	62,551	37,604
Prepaid lease payments	11,665	11,778	15,944	15,918
Trade and other receivables	169,647	23,377	164,107	332,282
Tax recoverable	395	1,458	—	323
Loans to related parties	163,763	848,123	342,898	—
Pledged bank deposits	—	10,000	—	—
Bank balances and cash	10,630	22,903	53,305	264,926
	393,796	969,102	638,805	651,053
Current Liabilities				
Trade and other payables	142,120	223,627	166,532	199,066
Bank borrowings	—	415,000	295,000	797,021
Loans from related parties	66,264	72,238	10,578	—
Consideration payable	52,000	—	31,000	2,350
Tax liabilities	31,241	39,838	122,039	151,062
	291,625	750,703	625,149	1,149,499
Net current assets (liabilities)	102,171	218,399	13,656	(498,446)
Total assets less current liabilities	606,490	724,098	643,987	317,531
Capital and reserve				
Paid-in capital	182,529	188,102	162,042	—
Reserves	297,037	395,077	232,119	217,531
Equity attributable to owners of the Company	479,566	583,179	394,161	217,531
Non-controlling interests	126,924	140,919	69,826	—
Total equity	606,490	724,098	463,987	217,531
Non-current liabilities				
Bank borrowings	—	—	180,000	100,000
	606,490	724,098	643,987	317,531

THE GLOBAL OFFERING

The Global Offering consists of:

- the offer of initially 45,900,000 Hong Kong Offer Shares for subscription by the public in the Hong Kong Public Offering; and
- the offering of initially 413,100,000 International Offer Shares (comprising 284,100,000 new Shares being offered by us and 129,000,000 Sale Shares being offered by the Selling Shareholder) (a) in the United States to qualified institutional buyers (as such term is defined in Rule 144A under the U.S. Securities Act) under Rule 144A or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act to investors including professional investors in Hong Kong, in the International Offering. The International Offer Shares may be increased by 68,850,000 additional new Shares which may be issued and allotted by us at the Offer Price pursuant to the Over-allotment Option.

The number of Hong Kong Offer Shares and International Offer Shares, or collectively, Offer Shares, is subject to adjustment and reallocation as described in "Structure of the Global Offering" in this prospectus.

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$2.51 per Share	**Based on an Offer Price of HK$2.93 per Share**
Market capitalization of the Shares(1)	HK$4,593.3 million	HK$5,361.9 million
Unaudited pro forma adjusted net tangible asset value per Share(2)	HK$0.36	HK$0.44

Notes:

(1) The calculation of market capitalization is based on 1,830,000,000 Shares expected to be in issue immediately upon completion of the Capitalization Issue and the Global Offering, assuming no exercise of the Over-allotment Option.

(2) The unaudited pro forma adjusted net tangible asset value per Share has been arrived at after adjustments referred to in Appendix II to this prospectus and on the basis of 1,830,000,000 Shares expected to be in issue at the respective Offer Price of HK$2.51 and HK$2.93 per Share immediately following completion of the Capitalization Issue and the Global Offering. The calculation takes no account of the Over-allotment Option.

The following unaudited pro forma forecast basic earnings per Share for the year ending 31 December 2011 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 1 January 2011. This unaudited pro forma forecast basic earnings per Share has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of financial results of the Group following the Global Offering.

Profit Forecast for the year ending 31 December 2011

Forecast of consolidated profit attributable to owners of the Company(1)(2)(6)	not less than RMB393 million (approximately HK$480 million)
Adjustment(3)(6)	
Amortization of warrant cost	approximately RMB176 million (approximately HK$215 million)
Forecasted consolidated profit attributable to owners of the Company before amortization of warrant cost(2)(4)(6)	not less than RMB569 million (approximately HK$695 million)
Unaudited pro forma forecast basic earnings per Share(5)(6)	approximately RMB0.215 (approximately HK$0.262)

Notes:

(1) The bases and assumptions on which the forecast of consolidated profit attributable to owners of the Company for the year ending December 31, 2011 is calculated are set out in "Appendix III — Profit Forecast" in this Prospectus. The profit forecast prepared by the Directors of the Company is based on the audited consolidated results of the Group for the six months ended June 30, 2011, the unaudited consolidated management accounts of the Group for the two months ended August 31, 2011 and a forecast of the consolidated results of the Group for the remaining four months ending December 31, 2011.

(2) In deriving the forecasted consolidated profit attributable to owners of the Company for the year ending December 31, 2011, we have taken into account the estimated listing expenses of approximately RMB54.1 million (approximately HK$66.0 million).

(3) The warrant cost of approximately RMB176.0 million represents the non-cash capital contribution made by Controlling Shareholders of the Company arising from other borrowings. Details of the transaction are set out in note 29 of Section I of Appendix I. The warrant cost of approximately RMB176.0 million will be charged to finance costs based on the effective interest rate over the expected life of the facility loan, which is expected to be repayable on or around the Listing Date. An amortization of warrant cost of approximately RMB176.0 million is estimated to be charged to the consolidated statement of comprehensive income for the year ending December 31, 2011 as finance costs.

(4) The calculation of forecasted consolidated profit attributable to owners of the Company before amortization of warrant cost is based on the forecast consolidated profit attributable to owners of the Company for the year ending December 31, 2011 adjusted for the amortization of warrant cost of approximately RMB176.0 million (approximately HK$215 million) for the year ending December 31, 2011.

(5) The unaudited pro forma forecast basic earnings per Share is based on the forecast of consolidated profit attributable to owners of the Company for the year ending December 31, 2011 and a total of 1,830,000,000 Shares were in issue and outstanding during the entire period. The 1,830,000,000 shares is calculated based on the 1,000,000 shares in issue and outstanding at the date of the Prospectus, and 330,000,000 shares to be issued pursuant to the Global Offering and 1,499,000,000 shares to be issued pursuant to the Capitalization Issue, assuming that the Global Offering and Capitalization Issue had been completed on 1 January 2011, no share was issued under the Over-allotment Option.

(6) The amounts stated in RMB are converted into Hong Kong dollars at exchange rate of HK$1.00 : RMB0.8192. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that time.

Sensitivity analysis for the profit forecast

Our profit forecast is forward looking and is therefore subject to changes in market conditions. The following table illustrates the sensitivity of the profit forecast of our Group for the year ending December 31, 2011 with reference to the potential movements in the average selling price, average material cost and sales volume of iron ore concentrates.

(a) *Effect of fluctuation in average selling price ("ASP")*

- Our base case scenario is calculated using a forecast ASP of approximately RMB1,000 per ton of iron ore concentrates for each of the four months ending December 31, 2011
- ASP per ton of iron ore concentrates for each of the four months ending December 31, 2011 is sensitized to increase/decrease by 10% and 20% from the RMB1,000 per ton
- The ASP sensitivity range of 10% and 20% is selected based on the month-over-month ASP fluctuation analysis during the Track Record Period

ASP	**Change**	**Net income***	**Change**
(RMB/ton)	*(%)*	*(RMB million)*	*(%)*
1,200	20.0%	463	17.8%
1,100	10.0%	428	8.9%
1,000	**—**	**393**	**—**
900	(10.0%)	358	(8.9%)
800	(20.0%)	323	(17.8%)

(b) *Effect of fluctuation in average material cost*

- Our base case scenario is calculated using a forecast average material cost per ton of iron ore concentrates of approximately RMB90 for each of the four months ending December 31, 2011

- Average material cost per ton of iron ore concentrates for each of the four months ending December 31, 2011 is sensitized to increase/decrease by 3% and 5% from the forecast average material cost per ton of iron ore concentrates of approximately RMB90

- The material cost sensitivity range of 3% and 5% is selected based on potential inflation impact

Average material cost	**Change**	**Net income***	**Change**
(RMB/ton)	*(%)*	*(RMB million)*	*(%)*
95	5.0%	391	(0.5%)
93	3.0%	392	(0.2%)
90	**—**	**393**	**—**
87	(3.0%)	394	0.2%
85	(5.0%)	395	0.5%

(c) *Effect of fluctuation in sales volume*

- Our base case scenario is calculated using a forecast sales volume of approximately 505 Kt for the four months ending December 31, 2011

- Sales volume for the four months ending December 31, 2011 is sensitized to increase/ decrease by 10% and 20% from the forecast sales volume of approximately 505 Kt

- The sales volume sensitivity range of 10% and 20% is selected based on the year-over-year same month volume fluctuation during the Track Record Period (eg. comparison between January sales volume over 2008, 2009 and 2010)

Sales Volume	**Change**	**Net income***	**Change**
(Kt)	*(%)*	*(RMB million)*	*(%)*
606	20.0%	449	14.2%
555	10.0%	421	7.1%
505	**—**	**393**	**—**
454	(10.0%)	365	(7.1%)
404	(20.0%)	337	(14.2%)

* The net income includes the amortization of warrant cost of approximately RMB176 million for the year ending December 31, 2011.

The sensitivity illustrations above are intended for reference only and any variation could exceed the ranges given. The above sensitivity analyses are not meant to be (i) exhaustive and (ii) the profit forecast is subject to further and additional uncertainties and is dependent on market conditions and other factors which are beyond our control. Please refer to "Appendix III — Profit Forecast" in this prospectus for more details.

DIVIDEND POLICY

The payment and amount of any dividends will be determined at the discretion of our Directors by taking into account relevant factors, including but not limited to our future operations and earnings, our capital requirements and surplus and our financial condition. In addition, our constitutional documents and the Companies Law set forth requirements related to the declaration, payment and amount of dividends. Under our constitutional documents and the Companies Law, payment of dividends out of our share premium account is possible on the condition that we are able to pay our debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

Our ability to declare future dividends will also depend on the availability of dividends, if any, received from our PRC operating subsidiaries. Pursuant to PRC law, dividends may only be paid out of distributable profits, defined as the retained earnings after tax payments as determined under the PRC GAAP less any recovery of accumulated losses and the required allocations to statutory reserves made by our PRC operating subsidiaries. In general, we will not declare dividends in a year where we do not have any distributable earnings.

Taking into account our present financial position, we currently intend to distribute to our Shareholders not less than 10% of our annual distributable profit attributable to owners of our Company in respect of the financial year ending December 31, 2011 and each financial year thereafter. However, such intention does not amount to any guarantee or representation or indication that our Company must or will declare and pay dividends in such manner or declare or pay dividends at all. We cannot assure you that dividends will be paid in the future or as to the timing of any dividends that may be paid in the future.

USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering, after the deduction of underwriting fees and estimated expenses payable by us in relation to the Global Offering, will be approximately HK$816.7 million, assuming an Offer Price of HK$2.72 per Share, being the mid-point of the indicative range of the Offer Price of HK$2.51 to HK$2.93 per Share, and assuming that the Over-allotment Option is not exercised.

We intend to use the net proceeds from the Global Offering as follows:

(1) HK$702.3 million (equivalent to US$90 million), or approximately 86.0% of the net proceeds, solely to repay our outstanding loan due to the Facility Lenders. Primarily to finance certain steps of the Reorganization, on January 25, 2011, we drew down the Facility Loan in a principal amount of US$120 million from the Facility Lenders pursuant to the Facility Agreement. Interest is payable on amounts borrowed under the Facility Agreement at

an annual rate of 8%. See "History, Development and Reorganization — Facility Loan Provided to Our Company" in this prospectus for more details. We intend to settle the remaining balance of the loan with cash generated from our operations;

(2) HK$68.6 million, or approximately 8.4% of the net proceeds, to finance the expansion and upgrading of our mines and production facilities. See "Business — Our Production Operations and Facilities — Production expansion plans" in this prospectus for more information; and

(3) HK$45.8 million, or approximately 5.6% of the net proceeds, to acquire new mines and related production facilities. See "Business — Our Business Strategies — Increase our iron ore reserves" in this prospectus. As of the Latest Practicable Date, we have not entered into any agreement, nor do we have any definite plans, in relation to any potential acquisition of iron ore reserves.

If the Offer Price is set at the high-end or low-end of the proposed Offer Price range, the net proceeds of the Global Offering (excluding the net proceeds from the sale of the Sale Shares by the Selling Shareholder and assuming that the Over-allotment Option is not exercised) will increase by approximately HK$66.5 million or decrease by approximately HK$66.5 million. If the Offer Price is set above or below the mid-point, we will adjust our allocation of the net proceeds for item (2) and (3), and the amount allocated to item (1) will remain unaltered at HK$702.3 million. In the event that the Over-allotment Option is exercised, we will apply the additional net proceeds of approximately HK$179.8 million (assuming the Offer Price is determined at the mid-point of the indicative range of the Offer Price) to items (2) and (3) above as we deem fit.

We estimate that the net proceeds to be received by the Selling Shareholder from the Global Offering will range from approximately HK$310.8 million (assuming an Offer Price of HK$2.51 per Share, being the low end of the proposed Offer Price range) to HK$362.9 million (assuming an Offer Price of HK$2.93 per Share, being the high end of the proposed Offer Price range), after deducting the underwriting fees and commission (including any discretionary incentive fee which may be payable by us to the Joint Global Coordinators) as payable by the Selling Shareholder in relation to the Global Offering. The net proceeds received by the Selling Shareholder will be used to repay the cash compensation in relation to the cancellation of Warrant A and Warrant B upon the Listing. Details of the cash compensation are set out in "History, Development and Reorganization — Facility loan provided to our Company — Warrant Cancellation Payment" in this prospectus.

Credit Suisse's Interest in the Facility Loan and Warrant Transaction

As a result of CS' affiliates' interest in the Facility Loan and the transactions relating to Warrant A and Warrant B, CS does not satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, and has a material interest in the consummation of the Global Offering. Upon consummation of the Global Offering, affiliates of CS will receive US$52.5 million for prepayment of the facility loan under the Facility Agreement provided to us in January 2011 from the net proceeds of the Global Offering, and its pro-rata share of the compensation from the Warrant Issuer in connection with the cancellation of Warrant A and Warrant B granted in connection with the Facility Loan, in addition to CS's underwriting commission. Please refer to "1. Further Information about Our Company — H. Facility loan provided to our Company" in Appendix VII to this prospectus for details.

Facility Arrangement

Primarily to finance certain steps of the Reorganization, we entered into the Facility Agreement on December 24, 2010 (which was amended and restated on January 21, 2011 and further amended on February 2, 2011, March 25, 2011 and June 24, 2011) with Credit Suisse AG, Singapore Branch, acting as arranger, facility agent and security agent for and on behalf of the Facility Lenders. The Facility Lenders made available to us a US$120 million term loan facility for 18 months from the drawdown date. On January 25, 2011, we drew down US$120 million under the Facility Agreement. Interest is payable on amounts borrowed under the Facility Agreement at an annual rate of 8%. Please refer to "History, Development and Reorganization — Facility Loan Provided to Our Company" in this prospectus for more details.

Warrant Cancellation Payment

As one of the conditions precedent to the provisions of the facility under the Facility Agreement, the Warrant Issuer, who held approximately 58.67% of our Shares immediately prior to the Global Offering, issued Warrant A and Warrant B which were exercisable by the Warrantholders. The Warrantholders and the Warrant Issuer entered into the Deed of Undertaking dated June 13, 2011 under which the parties agreed to terminate and cancel (i) each of Warrant A and Warrant B, and (ii) each of Warrant Instrument A and Warrant Instrument B, and the Warrant Issuer agreed to pay an aggregate of US$43.334 million to the Warrantholders as compensation upon the Listing. The Warrant Issuer is required to pay the cash compensation amount to each Warrantholder respectively on the Listing Date in proportion to the respective warrant entitlements of the Warrantholders in accordance with the Deed of Undertaking. In the event the Listing does not occur on or before October 13, 2011, the Warrant Issuer must enter into new warrant agreements with the Warrantholders, or otherwise pay a different cash compensation to the Warrantholders. Please refer to "1. Further Information about Our Company — H. Facility loan provided to our Company" in Appendix VII to this prospectus for details of the Facility Loan and the cancellation of Warrant A and Warrant B. As a result, as at the date of this prospectus, there is no outstanding warrant or option underlying or attaching to our Shares.

Financial Impact of the Issuance of Warrant A and Warrant B

In connection with the issuance of Warrant A and Warrant B, we will record an interest expense of approximately RMB176.0 million, being the market value of the warrants as of the date of grant, for 2011. In the six months ended June 30, 2011, such interest expense amounted to RMB150.0 million.

RISK FACTORS

There are certain risks related to an investment in the Offer Shares. In particular:

Risks related to our business

- There were multiple significant recent changes in our business arrangements with companies controlled by the Controlling Shareholders that are not in our Group, and our historical performance may not be indicative of our future results of operations.

- Our business and results of operations depend on the market price of iron ore concentrates, which is driven by factors beyond our control.
- Our mining operations have a finite life, and eventual closure of these operations will entail costs and risks regarding ongoing monitoring, rehabilitation and compliance with environmental standards.
- Our failure or inability to obtain, retain or renew required government approvals, permits and licenses for our exploration and mining activities could materially and adversely affect our business, financial condition and results of operations.
- Our plan to acquire additional mineral reserves may not succeed.
- We rely on a small number of major customers.
- We face certain risks and uncertainties beyond our control that are associated with our operations and our customers' operations.
- Our insurance coverage may be insufficient to cover our business risks.
- Three of our mines are in Fushun, Liaoning and the occurrence of an accident or disaster in that region would have a concentrated adverse effect on us.
- Our operations may be interrupted if we are denied access to our mines.
- We may not be able to obtain and renew land use rights, building ownership rights and woodlands use permits for our mining sites and facilities.
- Our business expansion plan may not achieve the intended economic benefits.
- Our business requires significant and continuous capital investment.
- We may have difficulty in managing our future growth and any associated increased scale of our operations.
- Our future performance is dependent on our ability to attract and retain key personnel.
- We rely on Benxi Iron Processing to process iron ore produced at our Mengjia Mine.
- Our business depends on reliable and adequate transportation capacity for our products.
- Our operating costs may increase.
- We may not be able to maintain an adequate and timely supply of electricity, water, equipment, auxiliary materials and other critical supplies at reasonable prices or at all.
- We may be subject to disputes with employees or other third parties.

- We will continue to be controlled by our Controlling Shareholders, whose interests may differ from those of our other Shareholders.

- We may be adversely impacted by changes in the level of ownership by the Controlling Shareholders of our Shares.

- The resource and reserve data cited in this prospectus are estimates and may be inaccurate.

- PRC regulations regarding investment and loans by offshore holding companies to PRC entities may delay or prevent our Company from using the proceeds of the Global Offering to make additional capital contributions or loans to members of our Group.

- We cannot assure you that we will declare dividends in the future.

Risks related to our industry

- Our business depends on the global economy and China's economic growth.

- Our business is subject to extensive regulations and affected by government policies in the PRC mining industry.

- Our operations are exposed to risks in relation to environmental protection and rehabilitation and our business operations may be affected by current or future safety and environmental regulations.

Risks related to doing business in the PRC

- Changes in China's economic, political and social conditions could adversely affect our financial condition and results of operations.

- Uncertainties with respect to the PRC legal system could have a material adverse effect on us.

- Governmental control of currency conversion may affect the value of your investment.

- Recent changes to the PRC tax laws have decreased the tax rate applicable to our business; however, any future changes to the PRC tax laws could adversely affect our financial condition and results of operations.

- We face foreign exchange and conversion risks, and fluctuation in the value of the Renminbi may have a material adverse effect on your investment.

- We face risks related to occurrences of epidemics in China and other places around the world, which could have a material adverse effect on our business and operations results.

- Restrictions on foreign investment in the PRC mining industry could materially and adversely affect our business and results of operations.

Risks relating to the Global Offering

- There has been no prior public market for our Shares, and the liquidity, market price and trading volume of our Shares may be volatile.

- Purchasers of our Shares will experience immediate dilution and may experience further dilution if we issue additional Shares in the future.

- Future sales by our existing Shareholders of a substantial number of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares.

- Certain facts and other statistics in this prospectus with respect to China, the PRC economy and the global and PRC iron and steel industries are derived from various official government sources and may not be reliable.