Our Company has entered into certain agreements with entities that will become our connected persons ("**Connected Persons**", as defined under Chapter 14A of the Listing Rules) after the Listing, and such agreements will constitute continuing connected transactions for our Company under the Listing Rules.

The definition of Connected Persons under Chapter 14A of the Listing Rules is different from the definition of related parties under International Accounting Standard 24, "Related Party Disclosures", and its interpretations by IASB. Accordingly, connected transactions set out in this section, which are described and disclosed in accordance with Chapter 14A of the Listing Rules, differ from the related party transactions set out in Note 34 to Appendix I — "Accountants' Report".

Connected Persons

The relevant Connected Persons, with whom certain members of our Group have entered into continuing connected transactions, are as follows:

1. Hanking Group: Our Controlling Shareholders, Ms. Yang and Mr. Yang, hold 60.67% and 28.29% of the shares of Hanking Group, respectively, and therefore Hanking Group will become a Connected Person of our Company upon Listing.

2. Fushun Shangma: a sole-proprietorship enterprise, wholly-owned by Mr. Yang, which therefore will become a Connected Person of our Company upon Listing.

3. Dawei Casting: an entity wholly-owned by Ms. Yang, which will therefore become a Connected Person of our Company upon Listing.

4. Benxi Iron Processing: a wholly-owned subsidiary of Hanking Group, which will therefore become a Connected Person of our Company upon Listing.

5. Fushun D.R.I.: a wholly-owned subsidiary of Hanking Group, which will therefore become a Connected Person of our Company upon Listing.

6. Mingcheng Transportation: Mr. Yang Xinhuan, the nephew of Ms. Yang holds 100% of the equity interests in Mingcheng Transportation, and therefore Mingcheng Transportation will become a Connected Person of our Company upon Listing.

7. Shenyang Shengtai Properties Management Co., Ltd. (瀋陽盛泰物業管理有限公司) ("**Shengtai Properties**"): our Controlling Shareholders indirectly hold 96.69% of the interests in Shengtai Properties, and therefore Shengtai Properties will become a Connected Person of our Company upon Listing.

OUR RESTRUCTURING

1. Reorganization

In mid-2010, the companies comprising our Group underwent a reorganization to rationalize the Group's structure in preparation for the listing of our Shares, as a result of which our Company became the holding company of our operating subsidiaries, engaging in iron-ore mining and processing as well as the production and sale of iron ore concentrates ("**Core Businesses**"). On August 2, 2010, our Company was incorporated under the laws of the Cayman Islands as an exempted company. For further details regarding the Reorganization, please refer to "History, Development and Reorganization" in this prospectus.

2. Non-Competition Agreement

In connection with the Reorganization, our Controlling Shareholders have entered into a non-competition agreement ("**Non-Competition Agreement**") in favour of our Company on June 16, 2011. Pursuant to the Non-Competition Agreement, each of our Controlling Shareholders has undertaken to our Company (for itself and for the benefit of its subsidiaries) that, save and except as disclosed in this prospectus, he/she will not, and will procure that his/her associates (except any members of our Group) will not, during the restricted periods set out below, directly or indirectly, either on his/her own or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or hold interests in or engage in or acquire or hold construction, development, operation or management of any business or activity which competes or may compete with our Core Business. Our Controlling Shareholders also granted us an option and pre-emptive right to acquire certain interests in certain entities retained by the Controlling Shareholders following the Reorganization.

Implications under the Listing Rules

Any transaction that might take place after the Global Offering, pursuant to any agreement or arrangement described under "Reorganization" in "History, Development and Reorganization" in this prospectus, is made in the performance of the relevant transaction already entered into before the Global Offering. Such transaction will therefore not constitute a connected transaction or continuing connected transaction of our Company under Chapter 14A of the Listing Rules, and will not be subject to further regulatory requirements under the Listing Rules.

However, when we decide whether to exercise or not to exercise any options provided for under the Non-Competition Agreement, we shall comply with the relevant requirements under Chapter 14A and Chapter 14 of the Listing Rules.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Company has entered into certain agreements and transactions which will constitute exempt continuing connected transactions for the Company. These transactions are entered into on normal commercial terms where each of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules will, as our Directors currently expect, not be more than 0.1% on an annual basis. By virtue of Rule 14A.33(3), these transactions are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. These transactions include:

1. Trademark License Agreement

Hanking Group, which is principally engaged in investment, is the registered owner of certain trademark in the PRC and Hong Kong. Our Company and Hanking Group have entered into a trademark license agreement ("**Trademark License Agreement**") dated June 16, 2011, pursuant to which Hanking Group granted us a right to use the trademark in our Core Businesses and our other ancillary businesses for a term of ten years commencing from the Listing Date.

All the right to use the Trademarks is granted to us on a free-of-charge basis by Hanking Group. The transactions under the Trademark License Agreement will be exempt from the reporting, announcement and independent shareholders' approval requirements under Rule14A.33 of the Listing Rules.

2. Fushun Shangma Management Service

In order to enhance the Group's benefits from economies of scale and the Group's centralized management system, to ensure our Group will have sufficient levels of control and understanding over the affairs of Fushun Shangma before Fushun Shangma becomes a member of the Group and to minimize the competition between Fushun Shangma and our Company, Mr. Yang, the sole shareholder of Fushun Shangma, entered into a service agreement with Aoniu Mining, a wholly-owned subsidiary of our Company on June 16, 2011 ("**Fushun Shangma Management Service Agreement**"). Pursuant to Fushun Shangma Management Service Agreement, Aoniu Mining agreed to provide the following services to Fushun Shangma: operation and sales, work safety supervision, legal service and labor management services, for a term of three years commencing from the Listing Date.

The Fushun Shangma Management Service Agreement also provides that if both Fushun Shangma and our Group enter into separate contracts with a particular customer and the iron ore concentrates produced by Fushun Shangma are in competition with the products of our Group, our Group has priority over the sale of products to such customer.

Historical figures

As at June 30, 2011, Aoniu Mining had not provided any management services to Fushun Shangma.

Annual caps and basis of caps

The management fee under the Fushun Shangma Management Service Agreement is determined after arm's length negotiations between the parties, based on the estimated labor costs of the staff who will be assigned to provide management services to Fushun Shangma and the management expenses for providing such services. The annual cap for each of the three years ending December 31, 2011, 2012 and 2013 will be as follows:

2011	2012	2013
(RMB)	(RMB)	(RMB)
1.2 million	1.2 million	1.2 million

Listing Rules implications

The transactions under the Fushun Shangma Agreement will be exempt from the reporting, announcement and independent shareholders' approval requirements under Rule14A.33 of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following transactions between members of the Group and Connected Persons will, upon Listing, constitute non-exempt continuing connected transactions for our Company under Chapter 14A of the Listing Rules. Details of these continuing connected transactions and the principal terms of the relevant agreements are set out below. The fees payable under all such agreements were determined based on commercial negotiations between the parties, in each case on arm's length basis. The terms of these agreements are no less favourable to the Group than those available from Independent Third Parties and/or those provided by the Connected Persons to Independent Third Parties, where applicable.

1. Procurement of Steel Balls

Aoniu Mining, Maogong Mining (together with Jingjia Mine), Benxi Mining and Xingzhou Mining have purchased steel balls from Dawei Casting, a wholly-owned entity of Ms. Yang, since August 2007.

Pursuant to the steel balls procurement agreements, dated June 16, 2011, between Aoniu Mining and Dawei Casting ("**Procurement Agreement**"), our Group is expected to continue to procure steel balls from Dawei Casting for a term of three years commencing from the Listing Date.

Pricing

The price at which steel balls are to be provided under the Procurement Agreement is decided based on the public market price, and the terms of the Procurement Agreement shall be no less favorable than those available to the Group from Independent Third Parties.

Historical Figures (the total value of products provided to Aoniu Mining, Maogong Mining, Benxi Mining and Xingzhou Mining)

In 2009 and 2010, because the quality of the steel balls procured from Dawei Casting was unstable, we did not procure steel balls from Dawei Casting for certain periods. As a result, the amounts of purchase dropped significantly in 2009 and 2010 relative to 2008. During 2011, the Company reassessed the quality of the steel balls procured from Dawei Casting and believes that their quality is satisfactory.

2008		2009		2010		Six months ended June 30, 2011	
Volume of purchase	Amount of purchase	Volume of purchase	Amount of purchase	Volume of purchase	Amount of purchase	Volume of purchase	Amount of purchase
(ton)	(RMB)	(ton)	(RMB)	(ton)	(RMB)	(ton)	(RMB)
3,625.27	16.7 million	472.86	1.8 million	764.26	3.1 million	509.16	2.2 million

The amount of purchases of steel balls of our Group for the three years ended December 31, 2008, 2009 and 2010, and the six months ended June 30, 2011 was RMB22.5 million, RMB16.1 million, RMB13.6 million and RMB2.2 million, respectively, accounting for 21.4%, 5.3%, 5.4% and 3.2% of our total purchases during the Track Record Period. The average purchasing price was RMB4,606.6/ton, RMB3,806.6/ton, RMB4,056.2/ton and RMB4,245.93/ton for the three year ended December 31, 2008, 2009 and 2010, and the six months ended June 30, 2011, respectively.

Annual caps and basis of caps

For the three years ended December 31, 2011, 2012 and 2013, our Directors estimate that our Group will continue to procure the following amount of steel balls (with tax) from Dawei Casting upon Listing:

2011	2012	2013
Amount of purchase	Amount of purchase	Amount of purchase
(RMB)	(RMB)	(RMB)
11.4 million	11.4 million	11.4 million

Our Company sets the above annual caps by taking into account:

(i) for certain periods in 2009 and 2010, our Group did not procure steel balls from Dawei Casting as the quality of the steel balls procured from Dawei Casting was inconsistent; therefore, comparing to the procurement amount in 2008, the amount purchased dropped significantly in 2009 and 2010. During 2011, our Company reassessed the quality of the steel balls procured from Dawei Casting and now believes that their quality is up to our standard, therefore our Company expects to resume procuring steel balls from Dawei Casting to meet our operational needs. The procurement amount is expected to remain stable from 2011 onward;

(ii) our Group estimates that the procurement amount for steel balls will remain steady at 4,800 tons per annum from 2011 to 2013, which is determined based on the estimated iron ore processing capacity of our Company, of which it is expected that our Group will procure no more than 2,400 tons of steel balls from Dawei Casting per annum. The rest of the steel balls we require will be procured from third parties;

(iii) for the purposes of determining all of the respective caps in 2011, 2012 and 2013, our Group assumes the average price of steel balls to be provided by Dawei Casting to be RMB4,750 per ton (with tax), which is determined based on the current average market price of steel balls. Therefore, the proposed annual caps for procurement of steel balls from Dawei Casting in 2011, 2012 and 2013 is RMB11.4 million;

(iv) Dawei Casting and our Group will enter into a procurement contract, pursuant to which our Group will procure steel balls from Dawei Casting for an amount of no more than RMB11.4 million per annum; and

(v) as mentioned in (i) above, as the historical figures in 2009 and 2010 may not reflect the normalised amount of steel balls procured from Dawei Casting, therefore, making the comparison of the proposed procurement amount using such historical figures is not meaningful.

2. Benxi Iron Processing Service

Pursuant to an agreement dated June 16, 2011 and entered into between Benxi Mining and Benxi Iron Processing, Benxi Iron Processing agreed to provide iron processing services for a term of three years commencing from the Listing Date ("**Benxi Iron Processing Service Agreement**"). According to the Benxi Iron Processing Service Agreement, Benxi Iron Processing will process the iron ore provided by Benxi Mining, and deliver the iron ore concentrates produced to Benxi Mining.

Pricing

According to the Benxi Iron Processing Service Agreement, Benxi Mining will pay a processing fee of RMB45 per ton of iron ores (with tax), which is decided based on the historical cost method based on the iron processing cost per ton of Benxi Mining (RMB37 per ton) plus other fees, including an administrative fee, a depreciation fee and a miscellaneous fee (RMB8 per ton).

Historical figures

As Benxi Iron Processing has only provided iron processing services to us since September 2010, there are no historical figures for the two years ended December 31, 2008 and 2009. The iron ore processing volume of Benxi Iron Processing from September to December 2010 and for the six months ended June 30, 2011 was 330,281.8 tons and 496,804.0 tons, respectively. The total fee incurred for processing services for each of the three years ended December 31, 2008, 2009 and 2010, and the six months ended June 30, 2011 was as follows:

2008	2009	2010	Six months ended June 30, 2011
(RMB)	(RMB)	(RMB)	(RMB)
—	—	12.7 million	19.1 million

Annual caps

As the management fee per ton under the Benxi Iron Processing Service Agreement is fixed, the estimated iron ore yield amount of Benxi Mining is 1.1 Mt, 1.2 Mt and 1.4 Mt, for the three years ending December 31, 2011, 2012 and 2013, respectively. The annual cap for each of the three years ending December 31, 2011, 2012 and 2013 will be as follows:

2011	2012	2013
(RMB)	(RMB)	(RMB)
49.5 million	54.0 million	63.0 million

Basis of caps

The basis in determining the proposed annual caps sum as following:

(i) the estimated iron ore processing cap fee is RMB45 per ton. This has been decided based on the historical cost method based on the iron ore processing cost per ton of Benxi Mining (RMB37 per ton), plus other fees, including an administrative fee, a depreciation fee and a miscellaneous fee (RMB8 per ton);

(ii) the estimated iron ore output of Benxi Mining is 1.1 Mt, 1.2 Mt and 1.4 Mt, for the three years ending December 31, 2011, 2012 and 2013, respectively. Therefore, the annual cap for 2011, 2012 and 2013 will be RMB49.5 million, RMB54.0 million and 63.0 million, respectively; and

(iii) Benxi Iron Processing started providing iron ore processing services to Benxi Mining in September 2010, and the historical transaction amount in 2010 and the six months ended June 30, 2011 was RMB12.7 million and RMB19.1 million, respectively.

3. Sales of iron ore concentrates

Aoniu Mining and STSU have supplied iron ore concentrates to Fushun D.R.I. since January 2009. On September 16, 2011, we entered into a procurement agreement pursuant to which we will, through our subsidiaries, including Aoniu Mining and STSU, provide iron ore concentrates to Fushun D.R.I. for a term of three years commencing from the Listing Date ("**Iron Concentrates Procurement Agreement**").

Pricing

Pursuant to the Iron Concentrates Procurement Agreement, Fushun D.R.I. will procure iron ore concentrates from us, including Aoniu Mining and STSU, at the market price, which will be determined by a combination of a wide range of factors, including, among others, the fluctuations of iron/steel price, the export prices of iron ores and the iron ore concentrates procurement prices of other steel companies in the PRC. Our Company pays close attention to the iron ore concentrates price fluctuations in Northeastern and North China (including the procurement prices of major steel companies in these regions), and adjusts the price of iron ore concentrates accordingly. Our Directors confirm that the determination of the iron ore concentrates sales price, based on such combination of factors, is commonly accepted within the industry.

Historical figures

The historical transaction figures between us and Fushun D.R.I. are as follows:

2008		2009		2010		Six months ended June 30, 2011	
Volume of sales	**Amount of sales**	**Volume of sales**	**Amount of sales**	**Volume of sales**	**Amount of sales**	**Volume of sales**	**Amount of sales**
(Kt)	**(RMB)**	**(Kt)**	**(RMB)**	**(Kt)**	**(RMB)**	**(Kt)**	**(RMB)**
—	—[(1)]	259.4	142.9 million	331.3	305.3 million	150.7	165.4 million

The average selling price of iron concentrates for the two years ended December 31, 2009 and 2010, and the six months ended June 30, 2011 was approximately RMB551/ton, RMB922/ton and RMB1,098/ton, respectively.

Annual caps

For the purpose of determining the proposed annual caps for the transaction under the Iron Concentrates Procurement Agreement, our Directors have considered, among other factors, the previous transaction amounts, and for the purpose of setting the annual caps only, the projected growth of Fushun D.R.I. (a new pig iron production line will start operation in 2011) and the industry, and possible fluctuations in the price of iron ores. Thus, our Directors estimate that the volume of iron ore concentrates that Fushun D.R.I. will purchase from Aoniu Mining and STSU will be no more than 434,000 tons for each of the three years ending December 31, 2011, 2012 and 2013, respectively.

(1) Our Group sold the iron ore concentrates produced in 2008 to Fushun Hanking and Fushun Metallurgy, and these iron ore concentrates were in turn sold to Fushun D.R.I. and other customers. The transaction amount of the iron ore concentrates indirectly sold by our Group to Fushun D.R.I. was RMB471.6 million, which may not reflect market price, as our Company also sold iron ore concentrates at approximately 12% discount to related parties.

On the basis of the above, our Directors estimate that the annual caps for the sales of iron ore concentrates for each of the three years ending December 31, 2011, 2012 and 2013 will be as follows:

2011 (RMB)	**2012** (RMB)	**2013** (RMB)
400 million	400 million	400 million

In each year, the sale prices are no less favourable than those available to the Group from Independent Third Parties.

Basis of caps

The basis in determining the proposed annual caps is as following:

(i) a new pig iron production line of Fushun D.R.I. is expected to start operating in 2011 and the production capacity of Fushun D.R.I. is expected to increase from approximately 200,000 tons per annum to approximately 700,000 tons per annum, and the production capacity is expected to remain constant for the three years ending December 31, 2011, 2012 and 2013. As such, it is expected that the demand for iron ore concentrates by Fushun D.R.I. will increase substantially in 2011 and remain constant from 2012 to 2013;

(ii) the estimated purchase amount of iron ore concentrates of Fushun D.R.I. in 2011, 2012 and 2013 is expected to increase to around 1.24 Mt per annum and Fushun D.R.I. is expected to continue to purchase no more than 434,000 tons of such iron ore concentrates from our Group. In the meanwhile, our Company is currently implementing technology upgrades at Aoniu Mining, and the processing capacity of Aoniu Mining is expected to increase to 2,100 Kt, 2,200 Kt and 2,200 Kt in 2011, 2012 and 2013, respectively. A unit (ton) production of pig iron may require approximately 1.55 tons of iron ore concentrates (grade 66%). The processing capacity of Aoniu Mining is expected to meet the purchasing demand of Fushun D.R.I.; and

(iii) for the purpose of determining the annual caps, our Company assumes that the market price of iron ore concentrates will be around RMB922 per ton, and remain at this level from 2011 to 2013. As such, our Company expect that the total value of the sale of iron ore concentrates to Fushun D.R.I. will amount to approximately RMB400 million per annum. The Directors of our Company believe that the increase in annual cap for 2011 onwards is reasonable.

4. Transportation Service

Mingcheng Transportation, or its affiliate, has been providing transportation services to our Group since November 2006. On September 16, 2011, Aoniu Mining and Mingcheng Transportation entered into an iron ore concentrates transportation service agreement, pursuant to which Aoniu Mining agreed to continue to engage Mingcheng Transportation or its affiliate to provide transportations service for a term of three years commencing from the Listing Date ("**Transportation Service Agreement**").

Pricing

Pursuant to the Transportation Service Agreement, Mingcheng Transportation, or its affiliate, will provide iron ore concentrates transportation services to our Group at the market price, which was arrived at after arm's length negotiations between the parties, and taking into account, among other factors, the fluctuations of the price of petroleum. Both parties also consider that the service fee is comparable to the fee that would be charged by an Independent Third Party, and thus fair and reasonable for both parties.

Historical figures

The historical figures of the service fee between Aoniu Mining and Mingcheng Transportation (or its affiliate) are as follows:

2008	2009	2010	Six months ended June 30, 2011
(RMB)	(RMB)	(RMB)	(RMB)
—[1]	12.3 million	18.5 million	11.5 million

Annual caps

For the purpose of determining the proposed annual caps for the transportation service fee under the Transportation Service Agreement, our Directors have considered, among other factors, the previous transaction amounts and the projected growth of our Group. On the basis of the above, the estimated annual caps for the transportation service fees for each of the three years ending December 31, 2011, 2012 and 2013 will be as follows:

2011	2012	2013
(RMB)	(RMB)	(RMB)
24.3 million	27.4 million	27.6 million

In each year, the transportation service fees to be paid will be no less favourable than those available to the Group from Independent Third Parties.

[1] For the year 2008, Fushun Hanking procured the transportation service from Mingcheng Transportation for our Group.

Basis of caps

The basis in determining the proposed annual caps is as following:

(i) according to the production expansion plan of our Company in 2011, 2012 and 2013, the expected iron ore production capacity of us is expected to increase from 4,494.1 Kt in 2010 to 5,300 Kt, 7,550 Kt and 7,850 Kt, respectively, and as such, the production volume of iron ore concentrates is assumed to increase. Based on the production plan for 2011, 2012 and 2013, the total volume of iron ore concentrates that is expected to require transportation from Mingcheng Transportation or its affiliate is expected to increase to approximately 966 Kt, 1,152 Kt and 1,164 Kt, in 2011, 2012 and 2013, respectively;

(ii) our Group estimates that the average unit price for transportation will decrease approximately 16% and 5% in 2011 and 2012, and remain relatively constant in 2013. The 16% decrease is mainly due to the significant increase in production of Luobokan Mine in 2011 as it enters into its first full year of full scale production. Luobokan Mine has a lower transportation unit price due to its shorter transportation distance from customers. Therefore, as the production contribution from Luobokan Mine increases, the unit price of transportation services decreases. The expected decrease of 5% in 2012 will be mainly due to the further expansion of our Group's scale as well as improvement in managing our transportation costs per ton. As such, the total value of the transportation services provided by Mingcheng Transportation for the iron ore concentrates produced by our Group is expected to be approximately RMB24.3 million, RMB27.4 million and RMB27.6 million in 2011, 2012 and 2013, respectively; and

(iii) based on the analysis above, our Directors believe that the increase in annual cap for 2011 onwards is reasonable.

5. Lease of Properties and Properties Management

Aoniu Mining and STSU have leased office premises located at No. 227, Qingnian Road, Shenhe District, Shenyang City, Liaoning Province, with a leased area of approximately 3,193.8 square meters from Shengtai Properties, leased advertising sites in the same building, and engaged Shengtai Properties to provide properties management service since 2008. On September 16, 2011, Aoniu Mining, STSU and Shengtai Properties entered into a lease agreement, pursuant to which Aoniu Mining and STSU agreed to continue to lease office premises and advertising sites from Shengtai Properties and engage Shengtai Properties to provide properties management service for a term of three years commencing from the Listing Date ("**Aoniu Office Lease Agreement**").

Pricing

Pursuant to the Aoniu Office Lease Agreement, Aoniu Mining and STSU will pay office rent, advertising sites rent and properties management fee of RMB4.8 million per year to Shengtai Properties.

Historical figures

The historical figures of the service fee between Aoniu Mining, STSU and Shengtai Properties are as follows:

2008	2009	2010	Six months ended June 30, 2011
(RMB)	**(RMB)**	**(RMB)**	**(RMB)**
—[1]	4.3 million	4.8 million	2.4 million

Annual caps

Aoniu Office Lease Agreement was agreed after arm's length negotiation between the parties. This is also comparable to the rent and properties management fee offered by an Independent Third Party. Savills Valuation and Professional Service Limited, an independent valuer, has confirmed that the rent payable by Aoniu Mining and STSU under the Aoniu Office Lease Agreement is fair and reasonable and reflects market rates of similar properties. The properties management fee and advertising sites rent were also agreed after arm's length negotiation between the parties and are comparable to the properties management fee and advertising sites rent paid by an Independent Third Party.

On the basis of the above, our Directors estimate that the annual caps for lease of properties and properties management for each of the three years ending December 31, 2011, 2012 and 2013 will be as follows:

2011	2012	2013
(RMB)	**(RMB)**	**(RMB)**
4.8 million	4.8 million	4.8 million

In each year, the rent, properties management fees and advertising sites rent to be paid will be no less favourable than those available to the Group from Independent Third Parties.

WAIVERS SOUGHT

Our Directors (including the independent non-executive Directors) are of the view that the transactions under each of the non-exempt continuing connected transactions set out above have been entered into in the ordinary and usual course of business of the Company, on arm's length basis, with normal commercial terms, and are fair and reasonable and in the interests of our Company as well as its Shareholders as a whole. Our Directors also confirm that each of the proposed annual caps set out herein are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

[1] For the year of 2008, Hanking Group leased offices and advertising sites from Shengtai Properties for Aoniu Mining and engaged Shengtai Properties to provide properties management service for Aoniu Mining. Hanking Group did not charge any fee from Aoniu Mining.

We have applied to the Stock Exchange, and the Stock Exchange has granted us, waivers from strict compliance with the announcement and (where applicable) independent shareholders' approval requirements of the Listing Rules in respect of each of these transactions, subject to the following conditions:

1. in respect of all continuing connected transactions under this section, the aggregate value of each of these non-exempt continuing connected transactions for each financial year will not exceed the relevant annual cap amount set forth above; and

2. in respect of the continuing connected transactions in "Non-exempt Continuing Connected Transaction", we will fully comply with the requirements under Chapter 14A of the Listing Rules for transactions to be conducted after December 31, 2013.

The independent non-executive Directors and auditors of the Company will review whether the relevant continuing connected transactions have been entered into based on the principal terms and pricing policies as disclosed in this prospectus. The confirmations of the independent non-executive Directors and auditors will be disclosed annually, as required by the Listing Rules.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors are of the view that (i) the non-exempt continuing connected transactions set out above have been entered into in the ordinary and usual course of business of the Group and have been entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the non-exempted continuing connected transactions and the annual caps set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.