

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Law on August 2, 2010.

We are registered as a non Hong Kong company under Part XI of the Companies Ordinance and our principal place of business in Hong Kong is 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road, Central, Hong Kong. Our authorized representatives for the purposes of Part XI of the Companies Ordinance, namely Mr. Wang Ping and Ms. Mok Ming Wai, have been appointed as our agent for the acceptance of service of process and notices in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong set out above.

As our Company is incorporated in the Cayman Islands, its operation is subject to the relevant laws and regulations of the Cayman Islands and its constitution, which comprises the Articles of Association. A summary of the relevant laws and regulations of the Cayman Islands and of the Articles of Association is set out in Appendix VI to this prospectus.

B. Changes in share capital

On the date of our incorporation on August 2, 2010, our authorized share capital was HK\$390,000 divided into 3,900,000 shares of HK\$0.1 each. The following sets out the changes in our share capital since the date of our incorporation:

- (a) on August 2, 2010, one Share was allotted and issued to Codan Trust Company (Cayman) Limited and was then transferred to Ms. Yang on the same day;
- (b) on December 6, 2010, the one Share held by Ms. Yang was transferred to China Hanking (BVI) Limited;
- (c) on December 6, 2010, 606,658, 282,907 and 110,434 new Shares were allotted and issued to China Hanking (BVI) Limited, Bisney Success Limited and Splendour Ventures Limited at HK\$0.10 each respectively. The issued share capital of our Company increased to HK\$100,000 divided into 1,000,000 shares;
- (d) on June 2, 2011, China Hanking (BVI) Limited transferred 19,969 Shares to Best Excellence Limited, a company owned by the Management Trust, to which Ms. Yang is the settlor and a beneficiary; and
- (e) on June 16, 2011, the authorized share capital of the Company was increased from HK\$390,000 divided into 3,900,000 Shares of a nominal or par value of HK\$0.10 each to HK\$1,000,000,000 divided into 10,000,000,000 Shares of a nominal or par value of HK\$0.10 each by the creation of 9,996,100,000 Shares, which shall rank *pari passu* in all respects with the Shares in issue prior to such increase.

Immediately following completion of the Global Offering and the Capitalization Issue and assuming that the Over-allotment Option is not exercised, the authorized share capital of our Company will be HK\$1,000,000,000 divided into 10,000,000,000 Shares, of which 1,830,000,000 Shares will be issued fully paid or credited as fully paid, and 8,170,000,000 will remain unissued. Other than pursuant to the general mandate to issue Shares referred to in the paragraph “Written resolutions passed on September 16, 2011” in this Appendix and the exercise of the Over-allotment Option, we do not have any present intention to issue any of the authorized but unissued share capital of our Company and, without prior approval of our shareholders in general meeting, no issue of Share will be made which would effectively alter the control of our Company.

Save as disclosed herein, there has been no alteration in the share capital of our Company since the date of its incorporation.

C. Changes in share capital of the subsidiaries of our Company

Our subsidiaries are set out in the Accountants’ Report in Appendix I to this prospectus. The following alterations in the share capital of our subsidiaries took place within the two years immediately preceding the date of this prospectus:

(a) Hanking Investment

On July 21, 2010, Hanking Investment was incorporated under the laws of the BVI with an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each.

On August 12, 2010, one share of Hanking Investment was allotted and issued to our Company. Upon the completion of such allotment and issuance, Hanking Investment became a direct wholly-owned subsidiary of our Company.

(b) Hanking (BVI) International

On April 25, 2008, Hanking (BVI) International (formerly known as Favor Hero International Limited) was incorporated under the laws of the BVI. On August 17, 2010, the entire shares of Favor Hero International Limited were acquired by Ms. Yang. On December 3, 2010, Ms. Yang transferred her shares in Hanking (BVI) International to Hanking Investment at par value. Upon the completion of this transfer, Hanking (BVI) International became a direct wholly-owned subsidiary of Hanking Investment.

(c) Hanking HK

On December 23, 2008, Hanking HK (formerly known as Ascent Power Investments Limited) was incorporated in Hong Kong. On August 26, 2010, the entire shares of Ascent Power Investments Limited were acquired by Hanking (BVI) International. Upon the completion of the acquisition, Hanking HK became an indirect wholly-owned subsidiary of our Company.

(d) *STSU*

On October 29, 2010, Hanking Group entered into an equity transfer agreement with Hanking HK, pursuant to which Hanking Group transferred a 25% equity interests in STSU to Hanking HK.

On December 30, 2010, Hanking Group entered into an equity transfer agreement with Tiexi Management (as the trustee of Japan Dongyang), pursuant to which Tiexi Management transferred 25% equity interests in STSU to Hanking Group.

On January 10, 2011, Hanking Group entered into an equity transfer agreement with Hanking HK, pursuant to which Hanking Group transferred a 75% equity interests in STSU to Hanking HK.

(e) *Shenyang Yuanzheng*

On July 8, 2010, Shenyang Yuanzheng was established in the PRC as a limited liability company with a registered capital of RMB5.0 million. Shenyang Yuanzheng is wholly-owned by STSU and also an indirect wholly-owned subsidiary of our Company.

(f) *Aoniu Mining*

On July 19, 2010, the then-existing shareholders of Aoniu Mining, namely Ms. Yang, Mr. Yang, Mr. Yang Xinhui, Mr. Yang Xinhuan, Mr. Wang Haibo, Mr. Xia Zhuo, Ms. Wang Ya'nan, Ms. Yang Dongmei and Mr. Di Shujie, entered into an equity transfer agreement with Hanking Group, whereby each of such shareholders agreed to contribute their respective interests in Aoniu Mining, namely 61%, 26%, 3%, 3%, 3%, 1.5%, 0.5%, 0.5% and 0.5% to Hanking Group. Upon completion of the capital contribution, the equity interest of Aoniu Mining was held as to 99% by Hanking Group and 1% by Ms. Yang, respectively.

On October 5, 2010, Ms. Yang, Hanking Group, STSU and Shenyang Yuanzheng entered into an equity transfer agreement pursuant to which Hanking Group and Ms. Yang agreed to transfer 100% equity interest in Aoniu Hanking to STSU and Shenyang Yuanzheng. Upon completion of the transfer, the equity interest of Aoniu Mining was held as to 99% by STSU and 1% by Shenyang Yuanzheng, respectively.

(g) *Maogong Mining*

On October 26, 2009, the registered capital of Maogong Mining was approved to increase from RMB0.98 million to RMB5.0 million.

On July 25, 2010, Hanking Group entered into an equity transfer agreement with Aoniu Mining whereby Hanking Group agreed to sell its 100% equity interest in Maogong Mining to Aoniu Mining for a cash consideration of RMB30 million. Upon completion of the equity transfer, Aoniu Mining becomes the sole shareholder of Maogong Mining.

(h) *Benxi Mining*

On July 25, 2010, Hanking Development and Ms. Yang entered into an equity transfer agreement with Aoni Mining whereby Hanking Development and Ms. Yang agreed to sell 90% and 10% of their respective equity interests in Benxi Mining to Aoni Mining. Upon completion of the equity transfer, Aoni Mining becomes the sole shareholder of Benxi Mining.

(i) *Xingzhou Mining*

On March 6, 2010, Aoni Mining entered into an equity transfer agreement with Mr. Zhao Liangui and Ms. Zeng Zhuo whereby Aoni Mining agreed to acquire from Mr. Zhao Liangui a 20% equity interest in Xingzhou Mining and from Ms. Zeng Zhuo a 10% equity interest in Xingzhou Mining for a cash consideration of RMB60.0 million. Upon completion of the equity transfer, Xingzhou Mining has become wholly-owned by Aoni Mining.

Save as set out above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

D. Our PRC Entities

Below are brief descriptions of the entities in which we have equity interest as at the Latest Practicable Date. The total investments and registered capital of each of the companies are based on the certificate of approval and business licence of each of the companies. The registered capitals of all PRC entities have been fully paid up.

1. *Aoni Mining*

Date of establishment:	March 19, 1998
Company type:	Joint stock limited company
Term:	March 19, 1998 to March 18, 2030
Registered Office:	Aoni Village, Hou'an Town, Fushun County, Fushun City, Liaoning Province, PRC
Registered capital:	RMB100 million

2. *Maogong Mining*

Date of establishment:	March 31, 1997
Company type:	Limited liability company
Term:	March 31, 1997 to December 31, 2028
Registered Office:	Maogong Village, Shiwen Town, Fushun County, Fushun City, Liaoning Province, PRC
Registered capital:	RMB5 million

3. *Xingzhou Mining*

Date of establishment:	September 22, 2003
Company type:	Limited liability company
Term:	September 22, 2003 to September 21, 2018
Registered Office:	Taigou Village, Nianpan Town, Dongzhou District, Fushun City, Liaoning Province, PRC
Registered capital:	RMB2 million

4. *Benxi Mining*

Date of establishment:	March 15, 2004
Company type:	Limited liability company
Term:	March 15, 2004 to March 15, 2027
Registered Office:	Mengjiapuzi Village, Beitaizi, Pingshan District, Benxi City, Liaoning Province, PRC
Registered capital:	RMB20 million

5. *STSU*

Date of establishment:	March 10, 1995
Company type:	Limited liability company(wholly-owned by legal person in Taiwan, Hong Kong or Macau)
Term:	March 10, 1995 to March 9, 2045
Registered Office:	No. 19, Guangye Road, Tiexi District, Shenyang City, Liaoning Province, PRC
Total investment:	US\$122.36 million
Registered capital:	US\$49.17 million

6. *Shenyang Yuanzheng*

Date of establishment:	July 8, 2010
Company type:	Limited liability company
Term:	July 8, 2010 to July 7, 2030

Registered Office: No. 28, Huahai Road, Economy and Technology
Development District, Shenyang City, Liaoning
Province, PRC

Registered capital: RMB5.0 million

E. Our Reorganization

Please refer to the section “History, Development and Reorganization” in this prospectus for details of the Reorganization.

F. Written resolutions passed on September 16, 2011

On June 16, 2011, pursuant to the resolutions in writing passed by our Shareholders, the increase of the authorized share capital of the Company from HK\$390,000 divided into 3,900,000 Shares of a nominal or par value of HK\$0.10 each to HK\$1,000,000,000 divided into 10,000,000,000 Shares of a nominal or par value of HK\$0.10 each by the creation of 9,996,100,000 Shares, which shall rank *pari passu* in all respects with the Shares in issue as at the date of this resolution, was approved.

Pursuant to the resolutions in writing passed by all the shareholders of our Company on September 16, 2011, which adopted essentially all the resolutions passed in writing by our Shareholders on June 16, 2011:

- (a) conditional on the share premium account of our Company being credited as a result of the Global Offering, the sum of HK\$149,900,000 be capitalized and be applied in paying up in full at par 1,499,000,000 Shares for allotment and issue to the Shareholders whose names were on the register of members of our Company as at or immediately prior to 8:00 a.m. on September 30, 2011 (or such other date and time as may be agreed between the Joint Global Coordinators and the Company in writing);
- (b) conditional upon both (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering and the issuance of new Shares by the Company pursuant to the exercise of Over-allotment Option, subject to such modifications as may be approved by the Directors or any committee thereof established by the Board; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and the Underwriting Agreements not being terminated in accordance with the terms of such agreements or otherwise:
 - (i) the Global Offering be approved and the Directors be authorised to allot and issue the new Shares pursuant to the Global Offering and approve the sale and transfer of the existing Shares by the Selling Shareholder;
 - (ii) the proposed Listing of the Shares on the Main Board of the Stock Exchange be approved and the Directors be authorised to implement such Listing; and

- (iii) the Over-allotment Option be approved and the Directors were authorised to effect the same and to allot and issue the Over-allotment Shares upon the exercise of the Over-allotment Option;
- (c) our Company approved and adopted the Articles of Association conditional upon and with effect from Listing;
- (d) a general unconditional mandate was given to the Directors to allot, issue and otherwise deal with the Shares (otherwise than pursuant to, or in consequence of, the Global Offering, the Over-allotment Option, a rights issue, the exercise of any subscription rights which may be granted under any scrip dividend scheme or similar arrangements, any adjustment of rights to subscribe for shares under options and warrants or a special authority granted by the Company's shareholders) with an aggregate nominal value not exceeding the sum of 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Global Offering;
- (e) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase the Shares representing up to 10% of its share capital in issue, immediately following completion of the Global Offering (excluding the Shares which may be issued upon the execution of the Over-allotment Option); and
- (f) the general unconditional mandate as mentioned in paragraph (d) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above.

Each of the general mandates referred to in paragraphs (d), (e) and (f) above will remain in effect until the earlier of (i) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of the Shareholders in a general meeting, either unconditionally or subject to conditions; or (ii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

G. Share Repurchase Mandate

This section includes information relating to the repurchase of our Shares, including information required by the Stock Exchange to be included in this prospectus concerning such repurchase.

(a) Relevant Legal and Regulatory Requirements

The Listing Rules permit our Shareholders to grant to our Directors a general mandate to repurchase our Shares that are listed on the Stock Exchange. Such mandate is required to be given by way of an ordinary resolution passed by our Shareholders in a general meeting.

(b) *Shareholder Approval*

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by ordinary resolutions of our Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

On September 16, 2011, our Directors were granted a general unconditional mandate to repurchase up to 10% of the aggregate par value of our share capital in issue immediately following the Global Offering on the Stock Exchange or on any other stock exchange on which our securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose.

This mandate will expire at the earlier of (i) the conclusion of our next annual Shareholders' general meeting, or (ii) such mandate being revoked or varied by ordinary resolutions of our Shareholders in a general meeting (“**Relevant Period**”).

(c) *Source of Funds*

Our repurchase of the Shares listed on the Stock Exchange must be funded out of funds legally available for the purpose in accordance with our Memorandum of Association and Articles of Association and the applicable laws of the Cayman Islands. We may not repurchase our Shares on the Stock Exchange for consideration other than cash or for settlement other than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, we may make repurchases with profits of our Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by our Articles of Association and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by our Articles of Association and subject to the Cayman Companies Law, out of capital.

(d) *Reasons for Repurchase*

Our Directors believe that it is in our and our Shareholders' best interests for our Directors to have general authority to execute repurchases of our Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit us and our Shareholders.

(e) *Funding of Repurchase*

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with our Memorandum of Association and Articles of Association, Cayman Companies Law and the Listing Rules.

On the basis of the current financial position of our Company as disclosed in this prospectus and taking into account the current working capital position of our Company, our Directors believe that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or the gearing position as compared with the position disclosed in this prospectus.

However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(f) *Share Capital*

The exercise in full of the current Repurchase Mandate, on the basis of 1,830,000,000 Shares in issue immediately after the Global Offering (without taking into account the exercise of the Over-allotment Option), could accordingly result in up to 183,000,000 Shares being repurchased by us during the Relevant Period.

(g) *General*

None of our Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any of our Shares to us or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum of Association and Articles of Association, the Cayman Companies Law and any other applicable laws of the Cayman Islands.

If, as a result of any repurchase of our Shares, a shareholder's proportionate interest in our voting rights is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Our Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code. No connected person as defined by the Listing Rules has notified us that he or it has a present intention to sell his or its Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

H. Facility Loan Provided to Our Company

We are required to repay all outstanding amounts under the Facility Agreement upon the occurrence of an IPO. As such, we currently expect that the loan will be repaid in full immediately upon completion of the Global Offering, at which time we will use such portion of the proceeds from the Global Offering as may be required to repay all outstanding amounts under the loan. The principal terms of the Facility Agreement are as follows:

Principal	US\$120 million	
Interest rate	8% per annum	
Commitments of the Facility Lenders*	Baosteel Resources International Company Limited	US\$15,000,000
	Credit Suisse AG, Singapore Branch	US\$22,500,000
	Credit Suisse International	US\$75,000,000
	D. E. Shaw Composite Investment Asia 7 (Cayman) Limited	US\$7,500,000
Principal use of funds	<ol style="list-style-type: none"> Acquisition by STSU of 100% of the equity interest in Aoni Mining in an amount not exceeding US\$79,500,000 equivalent in Renminbi. Acquisition by Hanking HK of 100% of the equity interest in STSU in an amount of US\$2,424,000 equivalent in Renminbi. <ol style="list-style-type: none"> Hanking HK's contribution of registered capital in STSU in an amount of US\$16,600,000; and a loan from us to STSU in an amount of US\$7,400,000 to fund the working capital of STSU for general corporate purposes. Funding the interest services reserve in an amount of US\$4,800,000. Payment of fees and expenses payable under the Facility Agreement or in respect of the preparation of the financing documents in an amount of US\$3,200,000. Payment of other fees and expenses of the borrower incurred for general corporate purposes. 	

* Although the Facility Lenders may transfer any of their respective lending commitments to other entities subsequent to the signing of the Facility Agreement, as far as our Company is concerned, its repayment obligation will be discharged in full once it repays the loan to Credit Suisse AG, Singapore Branch as facility agent on the Listing Date.

Repayment	<ol style="list-style-type: none">1. An amount equal to one-third of the then outstanding loan on the first anniversary of the Drawdown Date.2. All remaining amounts outstanding under the loan on the date falling 18 months from the Drawdown Date.
Mandatory prepayment	<p>We are required to immediately repay the outstanding loan in full in the following circumstances:</p> <ol style="list-style-type: none">1. upon the occurrence of a change of control event (a “Change of Control Event”) which includes the following circumstances: (a) Ms. Yang ceasing to beneficially own, directly or indirectly, at least 50% of our Shares, other than pursuant to certain permitted transfers; (b) (if Ms. Yang has ceased to beneficially own, directly or indirectly, at least 50% of our Shares and has held a reduced shareholding as a direct result of certain permitted transfers) Ms. Yang ceasing to beneficially own, directly or indirectly, at least such reduced shareholding; or (c) Mr. Yang ceasing to beneficially own, directly or indirectly, at least 25% of our Shares;2. if an IPO (including a listing of our Shares on the Stock Exchange) occurs, in which case we must apply any IPO proceeds we receive towards the prepayment in full of the outstanding loan; or3. if we are unable to satisfy certain conditions precedent to use of loan proceeds within four months from the Drawdown Date. The conditions precedent primarily include the provision of copies of certain letters, confirmations, evidence, legal opinions, approvals, certifications and other documents in relation to the Group’s assets and operations. As at the date of this prospectus, all conditions precedent have been met or waived by the Facility Lenders.
Voluntary prepayment	<p>We may voluntarily repay the loan at any time after 45 days from the Drawdown Date by giving not less than five Business Days’ notice.</p>

Events of default

The Facility Lenders also have the right to demand that all or part of the loan, together with accrued interest and all other amounts accrued, be immediately repaid if any of the following events of default (among others and, if applicable, subject to grace period and/or materiality threshold set out in the Facility Agreement) occurs:

1. we or any obligor fail(s) to make any payment due under the loan or breach(es) any of the terms of the Facility Agreement or its related documents;
2. we or any obligor breach(es) any of the conditions, covenants, obligations or representations or warranties contained in the Facility Agreement or its related documents, including the requirement to provide various documents to the Facility Lenders in accordance with the conditions subsequent set out in the Facility Agreement;
3. any member of the Group or any guarantor defaults under any of its financial indebtedness;
4. any member of the Group or any guarantor becomes insolvent or is subject to insolvency or analogous proceedings;
5. any member of the Group ceases or threatens to cease to carry on business;
6. the terms of the Warrants are ineffective or breach of any covenant under Warrant Instrument A or Warrant Instrument B, or any representation, warranty or statement made or repeated thereunder is incorrect in any material respect;
7. any member of the Group is subject to any litigation which, if adversely determined, could reasonably be expected to have a material adverse effect on the Group;
8. any criminal proceeding or prosecution is commenced or instituted against any obligor or any of its directors or members of senior management;
9. the auditors of us or any guarantor (other than Ms. Yang) qualify any of its annual financial statements; or
10. any event or series of events occur(s) which, in the reasonable opinion of the majority Facility Lenders, will have a material adverse effect.

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 prior to the Global Offering issued warrants exercisable by the Warrantholders. The Warrantholders and the Warrant Issuer have entered into an agreement under which the parties agreed to cancel the warrants, 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 a new warrant agreement with the Warrantholders, or otherwise pay a different cash compensation to the Warrantholders. As a result, as at the date of this prospectus, there is no outstanding warrant or option underlying or attaching to our Shares.

Please see below background information of Warrantholders:

Baosteel Resources International Company Limited was incorporated on October 10, 1995 in Hong Kong, with its registered address at Room 2901, 29/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

Credit Suisse AG, Singapore Branch is the Singapore branch of Credit Suisse AG which is an international financial services firm incorporated in Switzerland. Credit Suisse AG, Singapore Branch was registered in Singapore on March 8, 1973 and its registered office is at 1 Raffles Link, #03-01 One Raffles Link, Singapore, 039393. The business of Credit Suisse AG, Singapore Branch includes private banking and investment banking.

Credit Suisse International is a bank domiciled in the United Kingdom. Credit Suisse International was incorporated on May 9, 1990. Its registered office is at One Cabot Square, London, E14 4QJ, England. The business of Credit Suisse International includes investment banking.

D. E. Shaw Composite Investments Asia 7 (Cayman) Limited is a member of the D. E. Shaw group. The D. E. Shaw group is a global investment and technology development firm with more than 1,300 employees; approximately US\$19 billion in investment capital as of January 1, 2011, and offices in North America, Europe, and Asia. The firm has a significant presence in many of the world's capital markets, investing in a wide range of companies and financial instruments within both the major industrialized nations and a number of emerging markets. Its activities range from the deployment of investment strategies based on either mathematical models or human expertise to the acquisition of existing companies and the financing or development of new ones.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of our material contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this prospectus which are or may be material:

- (a) an equity transfer agreement dated March 6, 2010 entered into by Aoniu Mining, Mr. Zhao Liangui and Ms. Zeng Zhuo, whereby Aoniu Mining agreed to acquire from Mr. Zhao Liangui a 20% equity interest in Xingzhou Mining and from Ms. Zeng Zhuo a 10% equity interest in Xingzhou Mining for a total consideration of RMB 60 million;
- (b) a debt settlement agreement dated July 1, 2010 entered into by Hanking Group, Maogong Mining and Aoniu Mining, whereby the parties thereto agreed to use the RMB115 million dividend payment declared and paid by Maogong Mining to settle the debt of RMB115 million owed by Hanking Group to Aoniu Mining (the “**Target Debt A**”) and the debt of RMB115 million owed by Aoniu Mining to Maogong Mining (the “**Target Debt B**”), whereby both of Target Debt A and Target Debt B were discharged after the settlement;
- (c) a debt settlement agreement dated July 3, 2010 entered into by Hanking Group, Hanking Development, Ms. Yang and Benxi Mining, whereby Hanking Development and Ms. Yang agreed to use the RMB117.6 million dividend payment declared and paid by Benxi Mining to settle the debt of RMB117.6 million owed by Hanking Group to Benxi Mining for and on behalf of Hanking Group and Benxi Mining agreed to set off and discharge RMB117.6 million from the debt owed by Hanking Group. After the settlement, Hanking Group owed Hanking Development RMB108 million and Ms. Yang RMB9.6 million respectively;
- (d) an equity transfer agreement dated July 25, 2010 entered into by Aoniu Mining and Hanking Group, whereby Hanking Group agreed to sell 100% equity interest in Maogong Mining to Aoniu Mining for a consideration of RMB30 million;
- (e) a debt settlement agreement dated July 25, 2010 entered into by Hanking Group and Aoniu Mining, whereby Hanking Group agreed to use the consideration of RMB30 million from the transfer of the entire equity interest in Maogong Mining to settle part of the debts it owed to Aoniu Mining and Aoniu Mining agreed to set off and discharge RMB30 million from the total amount of debts owed by Hanking Group;
- (f) an equity transfer agreement dated July 25, 2010 entered into by Hanking Development, Ms. Yang and Aoniu Mining, whereby Hanking Development and Ms. Yang agreed to sell 90% and 10% equity interests in Benxi Mining respectively to Aoniu Mining for a consideration of RMB72 million;
- (g) a debt settlement agreement dated July 25, 2010 entered into by Aoniu Mining, Hanking Group, Hanking Development and Ms. Yang, whereby Hanking Development and Ms. Yang agreed to use the consideration of RMB72 million they received from the

transfer of the entire equity interest in Benxi Mining to settle the debt of RMB72 million owed by Hanking Group to Aoni Mining for and on behalf of Hanking Group and Aoni Mining agreed to set off and discharge RMB72 million from the debt owed by Hanking Group. After the settlement, Hanking Group owed Hanking Development RMB64.8 million and Ms. Yang RMB7.2 million respectively;

- (h) an assets transfer agreement dated September 1, 2010 entered into by Benxi Mining and Benxi Iron Processing, whereby Benxi Mining agreed to transfer its assets in relation to iron ore processing to Benxi Iron Processing for a consideration of approximately RMB24.3 million;
- (i) an equity transfer agreement dated October 5, 2010 entered into by STSU, Shenyang Yuanzheng, Hanking Group and Ms. Yang, whereby Hanking Group agreed to sell 99% equity interest in Aoni Mining to STSU for a consideration of RMB544.5 million and Ms. Yang agreed to sell 1% equity interest in Aoni Mining to Shenyang Yuanzheng for a consideration of RMB5.5 million;
- (j) an equity transfer agreement dated October 29, 2010 entered into by Hanking HK and Hanking Group, whereby Hanking Group agreed to transfer 25% equity interest in STSU to Hanking HK for a consideration of RMB4 million;
- (k) an equity transfer agreement dated January 10, 2011 entered into by Hanking HK and Hanking Group, whereby Hanking Group transferred 75% equity interest in STSU to Hanking HK for a consideration of RMB12 million;
- (l) the Facility Agreement dated 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) entered into between, among others, our Company (as borrower) and Credit Suisse AG, Singapore Branch, acting as arranger, facility agent and security agent for and on behalf of the Facility Lenders (i.e. Baosteel Resources International Company Limited, Credit Suisse AG, Singapore Branch, Credit Suisse International and D. E. Shaw Composite Investments Asia 7 (Cayman) Limited, including (where applicable) their respective successors, assigns and transferees), pursuant to which the Facility Lenders made available to us a US\$120 million term loan facility for 18 months from the drawdown date;
- (m) the Warrant Instrument A dated December 24, 2010, as amended and restated on January 21, 2011, between the Warrant Issuer and the Warrantheholders, pursuant to which the Warrant Issuer granted to the Warrantheholders the rights to be transferred from the Warrant Issuer up to 12.6667 per cent. of the shares in our Company;
- (n) the Warrant Instrument B dated December 24, 2010, as amended and restated on January 21, 2011, between the Warrant Issuer and the Warrantheholders, pursuant to which the Warrant Issuer granted to the Warrantheholders the rights to be transferred from the Warrant Issuer up to 0.6667 per cent. of the shares in our Company;

- (o) the Deed of Undertaking dated June 13, 2011 entered into between the Warrant Issuer and the Warrantholders, which would replace and supersede a deed of undertaking dated May 27, 2011, and pursuant to which the Warrant A and the Warrant B and each Warrant Instrument shall be cancelled and terminated and the Warrant Issuer shall pay to the Warrantholders an aggregate of US\$43.334 million as compensation upon the Listing;
- (p) a warrant termination certificate issued by the Warrantholders to our Company on June 27, 2011, confirming that each Warrant and each Warrant Instrument has been unconditionally and irrevocably cancelled and terminated, and has no further force and effect;
- (q) a security trust deed dated January 3, 2011 (as amended and restated on January 21, 2011 and further amended on June 24, 2011) between, among others, the Company, the Warrantholders and the Facility Lenders, pursuant to which, among others, China Hanking (BVI) Limited, Bisney Success Limited, Hanking Investment, Hanking (BVI) International and Hanking HK provided a guarantee to secure the due performance of our obligation under the Facility Agreement and certain obligations of the Warrant Issuer under the Deed of Undertaking;
- (r) a composite security agreement dated January 3, 2011 and a confirmatory composite security agreement dated January 21, 2011 between each of the Company as borrower, China Hanking (BVI) Limited, Bisney Success Limited, Hanking Investment, Hanking (BVI) International as security provider and Credit Suisse AG, Singapore Branch as security agent, pursuant to which each security provider created security over its assets in favor of Credit Suisse AG, Singapore Branch as security agent;
- (s) a deed of partial release dated June 1, 2011 between our Company as borrower, China Hanking (BVI) Limited as chargor, and Credit Suisse AG, Singapore Branch as facility agent and security agent, pursuant to which the chargor and the security agent agreed to release certain portion of the shares in our Company from security created under the composite security agreement and the confirmatory composite security agreement (as referred to in item (r) above);
- (t) a charge over accounts dated January 3, 2011 and a confirmatory charge over accounts dated January 21, 2011 between our Company and Credit Suisse AG, Singapore Branch as security agent, pursuant to which we created security over certain accounts opened with Credit Suisse AG, Singapore Branch as account bank in favor of the security agent;
- (u) a HK charge over account dated January 3, 2011 and a confirmatory HK charge over account dated January 21, 2011 between our Company and Credit Suisse AG, Singapore Branch as security agent, pursuant to which our Company created security over certain accounts opened with the banks in Hong Kong in favor of the security agent;

- (v) a side deed (onshore controlled accounts) dated February 1, 2011 (as amended and restated on April 27, 2011) between, among others, our Company, Credit Suisse AG, Singapore Branch as facility agent and D. E. Shaw Composite Investment Asia 7 (Cayman) Limited relating to the signatory to certain onshore controlled accounts;
- (w) the Non-Competition Agreement dated June 16, 2011, by which the Controlling Shareholders provided non-competition undertaking in favour of our Company. For details of the Non-Competition Agreement, please refer to “Relationship with Controlling Shareholders” in this prospectus;
- (x) the Trademark License Agreement dated June 16, 2011 entered into between Hanking Group and our Company, pursuant to which Hanking Group granted us a right to use the trademark registered by Hanking Group without any charge for a term of ten years commencing from the Listing Date;
- (y) a cornerstone investment agreement dated June 24, 2011 entered into between our Company, the Joint Global Coordinators and Baosteel Resources International Company Limited, pursuant to which Baosteel Resources International Company Limited has agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 1,000 Shares) as may be subscribed for an aggregate amount of US\$10,000,000;
- (z) a Hong Kong underwriting agreement dated June 29, 2011 relating to the public offering in Hong Kong of our Shares initially scheduled in July 2011 and entered into by, among others, the Joint Global Coordinators, the Hong Kong Underwriters and us, which was terminated and superseded by the Hong Kong Underwriting Agreement in its entirety;
- (aa) a cornerstone investment agreement dated September 17, 2011 entered into between our Company, the Joint Global Coordinators and SAIF Partners IV L.P., pursuant to which SAIF Partners IV L.P. has agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 1,000 Shares) as may be subscribed for an aggregate amount of US\$30,000,000;
- (bb) a cornerstone investment agreement dated September 17, 2011 entered into between our Company, the Joint Global Coordinators and Gold Mountains (H.K.) International Mining Company Limited, pursuant to which Gold Mountains (H.K.) International Mining Company Limited has agreed to subscribe at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 1,000 Shares) as may be subscribed for an aggregate amount of US\$20,000,000; and
- (cc) the Hong Kong Underwriting Agreement.

B. Our intellectual property rights

As at the Latest Practicable Date, our Group has the following trademarks:

No.	Trademark	Applicant	Class (Note)	Place of Registration	Registration Number	Date of Application	Duration
1.	AONIU 傲牛	Aoniu Mining	6	PRC	7410341	May 20, 2009	September 21, 2010 to September 20, 2020
2.	AONIU 傲牛	Aoniu Mining	7	PRC	7410452	May 20, 2009	September 21, 2010 to September 20, 2020
3.	AONIU 傲牛	Aoniu Mining	16	PRC	7406863	May 19, 2009	August 28, 2010 to August 27, 2020
4.	AONIU 傲牛	Aoniu Mining	19	PRC	7406880	May 19, 2009	September 21, 2010 to September 20, 2020
5.	AONIU 傲牛	Aoniu Mining	35	PRC	7410557	May 20, 2009	November 7, 2010 to November 6, 2020
6.	AONIU 傲牛	Aoniu Mining	36	PRC	7406922	May 19, 2009	October 28, 2010 to October 27, 2020
7.	AONIU 傲牛	Aoniu Mining	37	PRC	7406952	May 20, 2009	October 28, 2010 to October 27, 2020
8.	AONIU 傲牛	Aoniu Mining	40	PRC	7407087	May 19, 2009	October 28, 2010 to October 27, 2020
9.	AONIU 傲牛	Aoniu Mining	25	PRC	7406902	May 19, 2009	January 7, 2011 to January 6, 2021
10.	AONIU 傲牛	Aoniu Mining	41	PRC	7407166	May 19, 2009	December 7, 2010 to December 6, 2020
11.	AONIU 傲牛	Aoniu Mining	42	PRC	7407202	May 19, 2009	December 21, 2010 to December 20, 2020

Notes:

- Class 6** Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.
- Class 7** Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements (other than hand-operated); incubators for eggs.
- Class 16** Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks.
- Class 19** Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.
- Class 25** Clothing, footwear, headgear.
- Class 35** Advertising; business management; business administration; office functions.
- Class 36** Insurance; financial affairs; monetary affairs; real estate affairs.
- Class 37** Building construction; repair; installation services
- Class 40** Treatment of materials.
- Class 41** Education; providing of training; entertainment; sporting and cultural activities.
- Class 42** Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services.

As at the Latest Practicable Date, we have registered the following domain names:

<u>Registrant</u>	<u>Domain Name</u>	<u>Date of Registration</u>	<u>Date of Expiry</u>
Aoniu Mining	hankingmining.com	March 30, 2009	March 30, 2019

Save as disclosed herein, there are no patents, trademarks or other intellectual or industrial property rights which are material in relation to our business.

3. DISCLOSURE OF INTERESTS

A. Substantial shareholders

The Directors confirm, as at the Latest Practicable Date, the following persons, not being a Director or chief executive of our Company, had an interest or short position in the shares or underlying shares of our Company which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO (i) immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (ii) immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full) or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any of our subsidiaries:

Shareholder	Nature of interest	Shares owned immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised)	
		Number	Percentage
Ms. Yang ⁽¹⁾	Beneficial owner/interest of controlled corporation	780,988,500	42.7%
Mr. Yang	Beneficial owner/interest of controlled corporation	424,360,500	23.2%
China Hanking (BVI) Limited	Legal owner	751,035,000	41.0%
Bisney Success Limited	Legal owner	424,360,500	23.2%
Splendour Ventures Limited	Legal owner	165,651,000	9.1%

Note:

- (1) Ms. Yang holds 100% of the equity interest in China Hanking (BVI) Limited and is the settlor and a beneficiary of the Management Trust which holds the entire issued share capital of Best Excellence Limited. Therefore, Ms. Yang is deemed to be interested in 751,035,000 Shares held by China Hanking (BVI) Limited as disclosed above (taking into account the Shares to be sold by China Hanking (BVI) Limited pursuant to the Global Offering) and the number of Shares held by Best Excellence Limited which will hold 29,953,500 Shares immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) in our Company, together representing approximately 60.7% in our issued share capital immediately prior to the Global Offering and approximately 42.7% immediately after the Global Offering (taking into account the Shares to be sold by China Hanking (BVI) Limited pursuant to the Global Offering and assuming the Over-allotment Option is not exercised).

B. Disclosure of the Directors' interests in the registered capital of associated corporations of the Company

Immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, the interests and short positions of each Director of our Company in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers to be notified to us and the Stock Exchange will be as follows:

Interests and short positions in the shares, underlying shares and debentures of our Company and its associated corporations:

(a) *Interest in our Company*

<u>Name of Director</u>	<u>Type of Interest</u>	<u>Approximate percentage of shareholding interest immediately prior to the Global Offering</u>
Ms. Yang	Beneficial interests through controlled corporations	60.7%
Mr. Yang	Beneficial interests through controlled corporations	28.3%
Mr. Xia Zhuo	Beneficial interests through controlled corporations	0.7%

<u>Name of Director</u>	<u>Type of Interest</u>	<u>Approximate percentage of shareholding interest immediately after the Global Offering (assuming the Over-allotment Option is not exercised)</u>
Ms. Yang	Beneficial interests through controlled corporations	42.7%
Mr. Yang	Beneficial interests through controlled corporations	23.2%
Mr. Xia Zhuo	Beneficial interests through controlled corporations	0.6%

(b) *Interest in our associated corporations*

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Number of shares</u>	<u>Percentage shareholding</u>
Ms. Yang	China Hanking (BVI) Limited	1	100%
Ms. Yang	Best Excellence Limited	1	100%
Mr. Yang	Bisney Success Limited	50,000	100%
Mr. Xia Zhuo	Splendour Ventures Limited	3,138	6.3%

C. Particulars of service contracts

Each of our executive Directors and non-executive Directors has entered into a service contract with our Company on June 16, 2011. The principal particulars of these service agreements are (a) for a term of three years commencing from Listing Date and (b) are subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable rules.

Each of the independent non-executive Directors, other than Mr. Chen Yuchuan, has signed an appointment letter with our Company on June 16, 2011. Mr. Chen Yuchuan signed his appointment letter on September 16, 2011. The principal particulars of these appointment letters are (a) for a term of three years commencing from Listing Date and (b) are subject to termination in accordance with their respective terms. The appointment may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with us (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

D. Directors' remuneration

The aggregate amounts of remuneration paid and benefits in kind granted to the Directors in respect of the three years ended December 31, 2008, 2009 and 2010, and the six months ended June 30, 2011 were approximately RMB2.88 million, RMB7.41 million, RMB9.83 million and RMB4.52 million, respectively. Save as disclosed under Note 14 to the financial statements in the Accountants' Report set out in Appendix I to this prospectus, no Director received other remuneration or benefits in kind from the Company in respect of the three years ended December 31, 2008, 2009 and 2010, and the six months ended June 30, 2011.

Under the current arrangements, the Directors will be entitled to receive compensation (including remuneration and benefits in kind) from our Company for the year ending December 31, 2011 under arrangement in force as at the date of this prospectus which is expected to be approximately RMB10.1 million in aggregate.

E. Personal guarantees

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to us.

F. Agency fees or commissions received

Save as disclosed in “Underwriting” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries within the two years preceding the date of this prospectus.

G. Related party transactions

During the two years preceding the date of this prospectus, we have engaged in the material related party transactions as described in Note 36 to the financial statements in the Accountants’ Report set out in Appendix I to this prospectus.

H. Disclaimers

- (a) save as disclosed in “3. Disclosure of Interests B.” in this appendix, none of the Directors has any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Companies to be notified to us and the Stock Exchange, in each case once our Shares are listed;
- (b) save as disclosed in “History, Development and Reorganisation” in this prospectus, none of the Directors nor any of the parties listed in the paragraph “4. Other Information — E. Qualification of experts” of this Appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
- (c) save as disclosed in “History, Development and Reorganisation” in this prospectus, none of the Directors nor any of the parties listed in the paragraph “4. Other Information — E. Qualification of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (d) none of the parties listed in the paragraph “4. Other Information — E. Qualification of experts” in this Appendix:
 - (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or

- (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and
- (e) save as disclosed in “3. Disclosure of Interest” in this appendix and “Business” in this prospectus, none of the Directors or their respective associates or any shareholders of our Company (who to the knowledge of the Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

4. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon us.

B. Litigation

As at the Latest Practicable Date, our Company is not involved in any material litigation, arbitration or administrative proceedings. We confirm that, no such litigation, arbitration or administrative proceedings of material importance is pending or threatened by or against any members of our Group.

C. Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, our Offer Shares and our Shares which may be issued pursuant to the exercise of the Over-allotment Option.

D. Preliminary expenses

Our estimated preliminary expenses are approximately US\$5,566. All our preliminary expenses and expenses relating to the Global Offering will be borne by our Company and the Selling Shareholder in proportion to the number of Shares to be allotted and sold pursuant to the Global Offering.

E. Qualification of experts

The qualifications of the experts who have given opinions in this prospectus are as follows:

Name	Qualification
Deutsche Bank AG, Hong Kong Branch	Licensed corporation under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under SFO, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)

Name	Qualification
Credit Suisse (Hong Kong) Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under SFO
BNP Paribas Capital (Asia Pacific) Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under SFO
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Deloitte Touche Tohmatsu Savills Valuation and Professional Services Limited	Certified public accountants Property Valuers
SRK Consulting China Ltd.	Independent Technical Consultant
Jingtian & Gongcheng	PRC legal advisers

F. No material adverse change

The Directors confirm that there has been no material adverse change in our financial or trading position since June 30, 2011, being the date to which our latest audited consolidated financial statement were made up.

G. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

H. Miscellaneous

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

- (a) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) the Company has no outstanding convertible debt securities or debentures;
- (e) saved as disclosed in “History, Development and Reorganization” in this prospectus, within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of the Company;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and
- (h) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

I. Consents and interests of experts in our Company

Each of the experts as referred to in the paragraph “Qualification of experts” in this appendix has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

None of such experts has any equity interest in our Company or any of its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of its subsidiaries.

J. Bilingual Prospectus

The English language and Chinese language version of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

K. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Company’s Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability for estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

(b) *Cayman Islands*

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

(c) *Consultation with professional advisers*

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

5. PARTICULARS OF THE SELLING SHAREHOLDER

Particulars of our Selling Shareholder as at the Latest Practicable Date are set out as follows:

Name:	China Hanking (BVI) Limited
Description:	Corporation
Registered office:	Romasco Place, Wickhams Cay 1, P.O Box 3140, Road Town, Tortola, British Virgin Islands
Sale Shares:	129,000,000 Shares

Ms. Yang, being a Director, is interested in the Sale Shares through her interest in China Hanking (BVI) Limited.