

### **shareholder in terms of personnel, asset, finance, organization and business**

#### **Independence of business and asset**

The Company owns principal assets of Dexing Copper Mine, Yongping Copper Mine, Wushan Copper Mine and Guixi Smelter, including a complete production line from mining, to smelting, which enable the Company to operate mining, milling and smelting independently. The Company has an independent and complete production process, with an independent and complete system of supplies, purchase and sales. The assets of the Company is completely independent.

#### **Independence of personnel and structure**

General Manager, Deputy General Manager, Financial Controller, Chief Engineer and Secretary of Board of Directors all work in the Company on full-time basis and receive remuneration from the Company. They did not hold any position at JCC, the shareholder of the Company. As such, the personnel and organization of the Company is independent.

#### **Financial independence**

The Company has its own independent financial institute and accounting system. A series of accounting regulations and financial management regulations was set up. The Company maintained independent account at the bank and paid tax independently. The Company made independent financial decisions in accordance with Articles of Associations of the Company and relevant regulations. JCC did not intervene in the Company's use of funds.

### **5. Assessment, encouragement and restriction system of senior management**

The Company adopts the policy of linking annual remuneration of the Company's senior management to their performance. Remuneration for directors is determined by the Company's general meeting. Remuneration for senior management is determined by the Board of Directors.