

Overview

We were incorporated in the Cayman Islands as an exempted company with limited liability on April 12, 2007 in anticipation of the Global Offering. We operate our business through our two subsidiaries in China, namely, Chuanmei Mirabilite and Chuanmei Glauber Salt. Through Top Promise, a Hong Kong incorporated investment holding company that is 100.0% owned by Rich Light, our wholly-owned BVI subsidiary, we indirectly own 90.0% of Chuanmei Mirabilite and 100.0% of Chuanmei Glauber Salt. For details of our corporate structure, please see “— Corporate Structure”.

We trace our origins to 1952 when the state-owned Meishan Mirabilite, the predecessor of Chuanmei Mirabilite, was established in Meishan, Sichuan Province. In 1953, Meishan Mirabilite was renamed as Meishan Mirabilite Factory. In June 2001, Meishan Mirabilite Factory was converted into a limited liability company and renamed Chuanmei Mirabilite. In August 2004, Sichuan Huatuo and Ms. Qiu Huiying acquired 90.0% and 10.0% of the equity interest in Chuanmei Mirabilite from Cinda, Huarong and Meishan AMC, by way of public auction. In March 2005, 90.0% equity interest in Chuanmei Mirabilite was acquired by Top Promise, and Chuanmei Mirabilite was subsequently converted into a sino-foreign joint venture. Mr. Suolang Duoqi, the founder, chairman, a non-executive Director and a Controlling Shareholder of our Company, has been the ultimate controlling shareholder of Chuanmei Mirabilite since Sichuan Huatuo acquired the controlling interest of Chuanmei Mirabilite in August 2004. In June 2007, Chuanmei Glauber Salt was established as a WFOE by Top Promise in Sichuan Province. Mr. Suolang Duoqi has been the ultimate Controlling Shareholder of Chuanmei Glauber Salt since its establishment.

We are engaged in the mining, processing and manufacturing of thenardite products, and we currently operate two glauberite mines and relevant processing facilities through Chuanmei Mirabilite and Chuanmei Glauber Salt, respectively. For details of our products and mining operations, please see section headed “Business — Our Products” and “Business — Our Mining Operations and Production Facilities”.

The following are the key milestones in our corporate history:

- August 2004 — Mr. Suolang Duoqi, our founder, chairman, a non-executive Director and a Controlling Shareholder, acquired 90.0% equity interest in Chuanmei Mirabilite through his interests in Sichuan Huatuo
- June 2005 — Chuanmei Mirabilite obtained the product certification for its thenardite products, granted by China Certification Centre for Quality Mark (方圓標誌認證中心)
- February 2007 — Chuanmei Mirabilite obtained the ISO14001:2004 (Environmental Management System) certification for its thenardite production and relevant management activities
- April 2007 — Lumena was incorporated as our holding company in anticipation of the Global Offering
- June 2007 — Chuanmei Glauber Salt was established as a WFOE
- September 2007 — Chuanmei Glauber Salt entered into a cooperation agreement with Muma Mining pursuant to which Chuanmei Glauber Salt agreed to acquire certain mining rights in the Muma Mining Area
- November 2007 — the Guangji Mine commenced pilot commercial production. Pilot commercial production was approved by the Meishan Administration of Environmental Protection (眉山市環境保護局) by a letter dated November 5, 2007 which was subsequently renewed on February 14, 2008, pursuant to which Chuanmei Glauber Salt was permitted to conduct pilot

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commercial production at our production facility in the Guangji Mining Area from November 2007 to August 15, 2008

- March 2008 — Land and Resources Bureau of Sichuan Province (四川省國土資源廳) approved the acquisition of the mining rights to mine up to 0.3 million tpa glauberite in the Muma Mine from Muma Mining by Chuanmei Glauber Salt
- March 2008 — our registered trademark “Chuanmei” (川眉) was recognized as a “China Well-known Trademark” by SAIC
- September 2008 — Chuanmei Glauber Salt obtained the mining rights to mine up to 2.8 million tpa glauberite in the Muma Mine and up to 2.4 million tpa glauberite in the Guangji Mine and Chuanmei Mirabilite obtained the mining rights to mine up to 1.2 million tpa glauberite in the Dahongshan Mine

Our Corporate History

We operate two PRC operating subsidiaries, namely, Chuanmei Mirabilite, our 90.0% owned subsidiary, and Chuanmei Glauber Salt, our wholly-owned subsidiary. Top Promise is the immediate holding company of our two PRC operating subsidiaries and Rich Light wholly-owns Top Promise.

Chuanmei Mirabilite

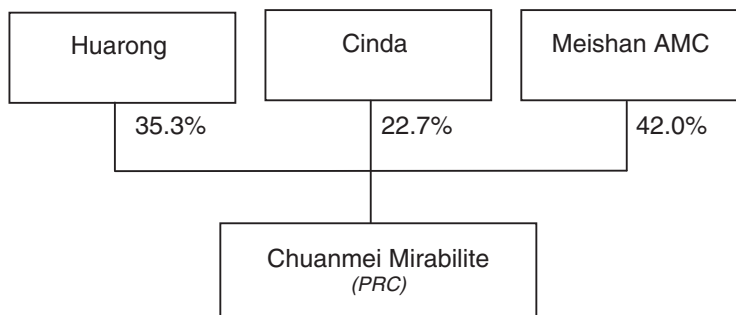
Meishan Mirabilite, the predecessor of Chuanmei Mirabilite, was established in Meishan, Sichuan Province in 1952. In November 1953, Meishan Mirabilite was converted into Meishan Mirabilite Factory and came under the direct administration of the Sichuan Industry Bureau (四川省工業廳).

In July 1998, pursuant to the Approval on the Transformation of State-owned Enterprise Nature of Meishan Mirabilite Factory by means of Debt-Equity Conversion (關於眉山芒硝廠轉制以資產置換職工國有身份的批覆) issued collectively by the Meishan Economic and Trade Commission (眉山地區經濟貿易委員會), Meishan Labor Bureau (眉山地區勞動局) and Meishan State-owned Asset Management Commission (眉山地區國有資產管理局) and the Approval on the Establishment at Sichuan Chuanmei Mirabilite Co., Ltd. (關於設立四川省川眉芒硝有限責任公司的批覆) issued by the Meishan Economic and Trade Commission (眉山地區經濟貿易委員會), Meishan Mirabilite Factory was authorized to undergo restructuring and form a limited liability company (Chuanmei Mirabilite). Employees of Meishan Mirabilite Factory who were released due to the restructuring were permitted to invest their resettlement allowances into Chuanmei Mirabilite’s registered capital to become equity holders of Chuanmei Mirabilite.

In May 2000, pursuant to a debt-equity conversion agreement among Huarong, Cinda, Meishan AMC, Chuanmei Mirabilite and the representatives of Chuanmei Mirabilite’s employee equity holders, the parties agreed that Huarong and Cinda would convert debts in the amounts of RMB50.2 million and RMB32.2 million, respectively, owed to them by Chuanmei Mirabilite into equity interests of Chuanmei Mirabilite to be held by Huarong and Cinda. Meishan AMC was entrusted to manage the equity interests and exercise the rights of equity holders on behalf of the employee equity holders. The former State Economic and Trade Commission (國家經濟貿易委員會) approved such debt-equity conversions in February 2001. Upon completion of these debt-equity conversions in 2001, the registered capital of Chuanmei Mirabilite was RMB142.1 million and Huarong, Cinda and Meishan AMC contributed RMB50.2 million, RMB32.2 million and RMB59.7 million (RMB21.6 million of which being the equity interest held by the employee equity holders), respectively, representing 35.3%, 22.7% and 42.0% of Chuanmei Mirabilite’s registered capital, respectively. On June 1, 2001, Meishan Administration for Industry and Commerce (眉山市工商局) issued a business licence for Chuanmei Mirabilite and Chuanmei Mirabilite was officially established.

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Set out below is the corporate structure chart of Chuanmei Mirabilite as at the date of its establishment:

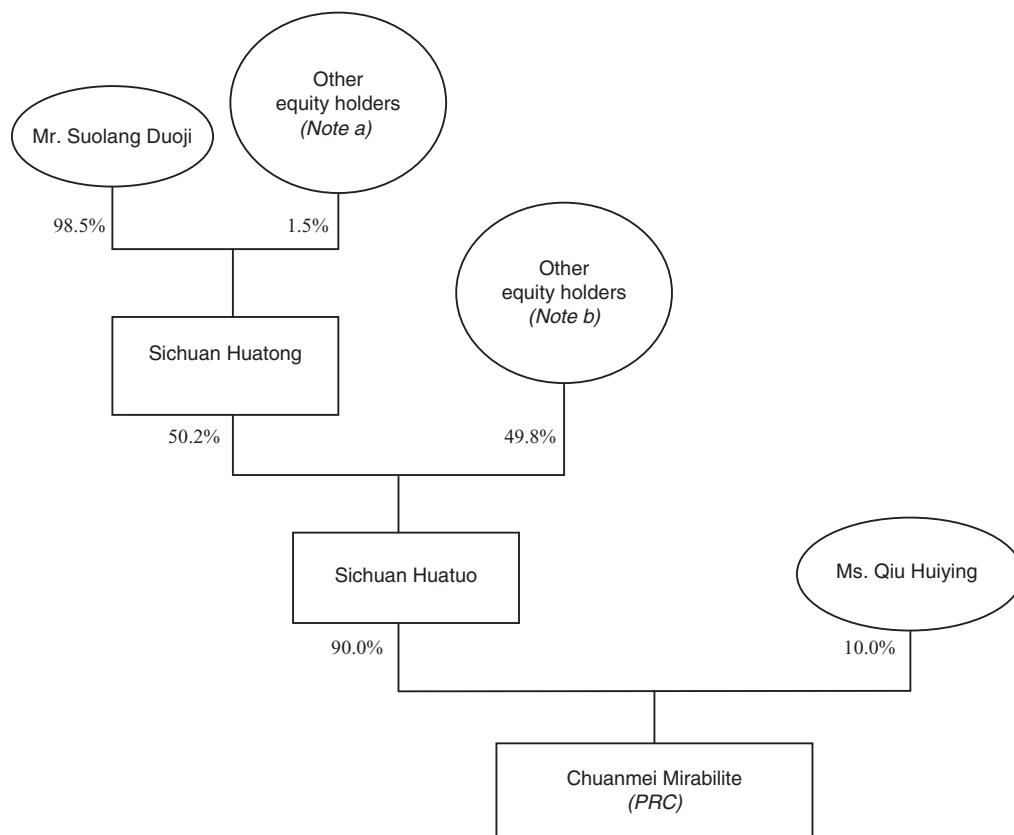


On April 8, 2004, the People's Government of Meishan (眉山市人民政府) approved the equity transfer proposal regarding the entire registered capital of Chuanmei Mirabilite pursuant to which all the equity holders of Chuanmei Mirabilite agreed to sell their respective equity interest in Chuanmei Mirabilite by way of public tender with the reserve price set at RMB72.5 million, equivalent to 90.0% of the appraised net asset value of Chuanmei Mirabilite, RMB80.6 million, as at August 31, 2003. On May 20, 2004, Sichuan Huatuo and Ms. Qiu Huiying, an Independent Third Party, entered into a joint tender agreement pursuant to which the parties agreed that Sichuan Huatuo would receive 90.0% and Ms. Qiu Huiying 10.0% of the equity interest in Chuanmei Mirabilite if they won the tender. Sichuan Huatuo and Ms. Qiu Huiying won the tender on May 28, 2004. On June 8, 2004, Huarong, Cinda, Meishan AMC and Sichuan Huatuo entered into an equity transfer agreement pursuant to which Huarong, Cinda and Meishan AMC agreed to transfer the entire registered capital of Chuanmei Mirabilite to Sichuan Huatuo for a consideration of RMB81.6 million, exceeding the reserve price of RMB72.5 million. On June 8, 2004, Huarong, Cinda, Meishan AMC, Sichuan Huatuo and Ms. Qiu Huiying executed a confirmation pursuant to which the parties agreed that Sichuan Huatuo would receive 90.0% and Ms. Qiu Huiying would receive 10.0% of the equity interest of Chuanmei Mirabilite. Huarong, Cinda and Meishan AMC subsequently agreed to adjust the consideration for their disposal of the entire registered capital of Chuanmei Mirabilite to RMB76.2 million, which was paid in full by Sichuan Huatuo and Ms. Qiu Huiying in July 2004. Sichuan Huatuo funded the acquisition of 90.0% equity interest in Chuanmei Mirabilite with its internal resources. The difference between the initial consideration (RMB81.6 million) and the adjusted consideration (RMB76.2 million) in the amount of RMB5.4 million reflects the portion of loss suffered by Chuanmei Mirabilite for the six months ended June 30, 2004 that Huatong, Cinda and Meishan AMC shared among themselves in proportion to their respective equity holdings and set off against the initial consideration. As confirmed by our PRC legal counsel, Grandall Legal Group (Shanghai), under PRC laws, the consideration for the transfer of equity interest in a state-owned enterprise shall not be in any case less than 90.0% of the appraised net asset value of such equity interest in accordance with then applicable PRC laws and regulations, but the sale of equity interests in a state-owned enterprise at a consideration less than the corresponding amount of the registered capital of such enterprise is not prohibited. Our PRC legal counsel also confirmed that prior to the equity transfers, there existed a RMB12.6 million difference between the registered capital (RMB142.1 million) and the actual paid-up capital (RMB129.5 million) of Chuanmei Mirabilite. Sichuan Huatuo and Ms. Qiu Huiying paid the difference in proportion to their respective equity holdings in Chuanmei Mirabilite in full in September 2004. Upon completion of these equity transfers, the registered capital of Chuanmei Mirabilite was RMB142.1 million to which Sichuan Huatuo contributed RMB127.9 million and Ms. Qiu Huiying contributed RMB14.2 million. Our PRC legal counsel, Grandall Legal Group (Shanghai), has advised us that the transfer of the equity interest of Chuanmei Mirabilite from the state-owned enterprise to Sichuan Huatuo and Ms. Qiu Huiying was valid and in compliance with all applicable PRC laws and regulations and all relevant approvals were properly obtained for the transfer.

At the time of its acquisition of Chuanmei Mirabilite's 90.0% equity interest in September 2004, Sichuan Huatuo was 50.2% owned by Sichuan Huatong and Sichuan Huatong was then 98.5% owned by Mr. Suolang Duoqi. As such, Mr. Suolang Duoqi was the then ultimate controlling person of Sichuan Huatuo.

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After the above transfers our corporate structure was as follows:



Notes:

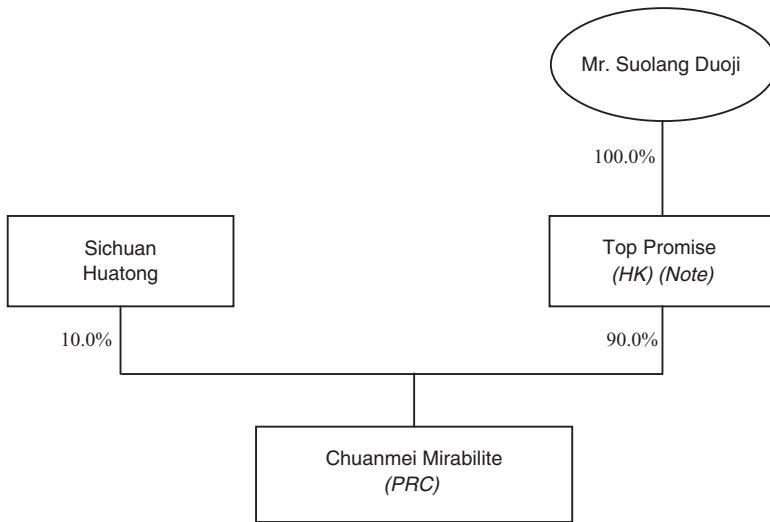
- a. After Sichuan Huatuo's acquisition of 90% equity interest in Chuanmei Mirabilite in September 2004, 1.5% equity interest in Sichuan Huatong, Sichuan Huatuo's controlling equity holder, was owned by four equity holders, including Sichuan First, Mr. Jiang Shilong (蔣世龍), Zigong Yuegui Shanzhuang Hotel Co., Ltd. (自貢市月桂山莊賓館有限公司) and Sichuan Huatong Timber Ltd. (四川省華通木業有限公司), which held approximately 0.6%, 0.6%, 0.2% and 0.2% equity interest in Sichuan Huatong, respectively. Zigong Yuegui Shanzhuang Hotel Co., Ltd. was controlled by Mr. Suolang Duoji and Ms. Ou Xiaomei (spouse of Mr. Suolang Duoji) and was a Connected Person. Sichuan Huatong Timber Ltd. was owned by Sichuan Huatong and Mr. Suolang Duoji as to 99.2% and 0.8%, respectively, and was a Connected Person. Mr. Jiang Shilong was an Independent Third Party. Sichuan First has become a Substantial Shareholder and a Connected Person since the completion of its acquisition of 10% equity interest in Chuanmei Mirabilite from Sichuan Huatong pursuant to the equity transfer agreement dated June 8, 2005.
- b. After Sichuan Huatuo's acquisition of 90% equity interest in Chuanmei Mirabilite in September 2004, 49.8% equity interest in Sichuan Huatuo was owned by Ms. Ou Xiaomei, the spouse of Mr. Suolang Duoji, and other corporate and individual equity holders.

On February 21, 2005, Top Promise was incorporated as an investment holding company in Hong Kong with an authorized share capital of HK\$10,000 divided into 10,000 shares of a nominal value of HK\$1 each. On the date of its incorporation, one share of HK\$1 was allotted and issued at par value to LLC Capital, a limited liability company incorporated in the BVI on September 22, 2004 and is an investment holding company. LLC Capital is entirely owned by Mr. Yang Zhuoya (楊卓亞). Upon completion of this share allotment and issue, the entire issued share capital of Top Promise was held by LLC Capital. Pursuant to the declaration of trust dated February 21, 2005 between LLC Capital and Mr. Suolang Duoji, LLC Capital agreed to hold the entire issued share capital of Top Promise on trust for Mr. Suolang Duoji. Mr. Suolang Duoji was the beneficial owner of the entire issued share capital of Top Promise.

On March 20, 2005, Sichuan Huatuo and Top Promise entered into an equity transfer agreement, pursuant to which Sichuan Huatuo agreed to transfer its 90.0% equity interest in Chuanmei Mirabilite to Top Promise for

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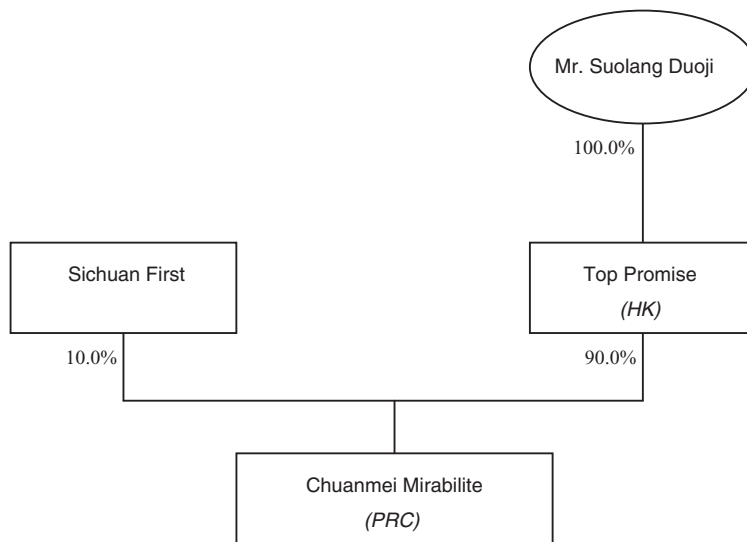
a cash consideration of RMB73.4 million. This consideration represents a 7.0% premium over RMB68.6 million, the initial cost to Sichuan Huatuo of the 90.0% equity interest in Chuanmei Mirabilite. On the same date, Ms. Qiu Huiying and Sichuan Huatong entered into an equity transfer agreement, pursuant to which Ms. Qiu Huiying agreed to transfer the 10.0% equity interest she held in Chuanmei Mirabilite to Sichuan Huatong for a cash consideration of RMB8.2 million. This consideration represents a 7.1% premium over RMB7.6 million, the initial cost to Ms. Qiu Huiying of the 10.0% equity interest in Chuanmei Mirabilite and was determined after arm's-length negotiation between Ms. Qiu Huiying and Sichuan Huatong. Upon completion of these equity transfers, Top Promise and Sichuan Huatong each held 90.0% and 10.0% of the equity interest in Chuanmei Mirabilite, respectively. The Sichuan Office of the Ministry of Commerce approved the equity transfer on May 23, 2005 and Chuanmei Mirabilite was legally and validly converted into a sino-foreign joint venture. Our corporate structure after these transfers was as follows:



Note: Top Promise's share capital was held by LLC Capital on trust for Mr. Suolang Duoji.

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On June 8, 2005, Sichuan Huatong and Sichuan First entered into an equity transfer agreement, pursuant to which Sichuan Huatong agreed to transfer the 10.0% equity interest it held in Chuanmei Mirabilite to Sichuan First for a cash consideration of RMB8.2 million which was determined on 100.0% of the consideration Sichuan Huatong paid to acquire of such equity interest from Ms. Qiu Huiying in May 2005. Upon completion of this equity transfer, Top Promise and Sichuan First each held 90.0% and 10.0% of the equity interest in Chuanmei Mirabilite, respectively. Our corporate structure after this transfer was as follows:



Note:

Sichuan First is a limited liability company established in the PRC on March 13, 2003 with a registered and paid-up capital of RMB65.4 million and is principally engaged in research, production, sale and import/export of pure silk and anti-radiation, flame retardant fibre composite products. Sichuan First is owned as to 65%, 30% and 5% by Mr. Chen Gang (陳鋼), Mr. Liu Jun (劉軍) and Mr. Zhang Yong (張勇), respectively all being PRC individuals and Independent Third Parties. Sichuan First acquired 10.0% equity interest in Chuanmei Mirabilite in June 2005 and thus became a Substantial Shareholder and Connected Person of our Company.

Other than the interest-free loan of RMB2.2 million granted by Sichuan First to Chuanmei Mirabilite, Sichuan First and our Company did not enter into any transactions. No written agreement was entered into between Sichuan First and Chuanmei Mirabilite in respect of the RMB2.2 million loan. Our Directors confirm that Chuanmei Mirabilite repaid the RMB2.2 million loan to Sichuan First in full in March 2008.

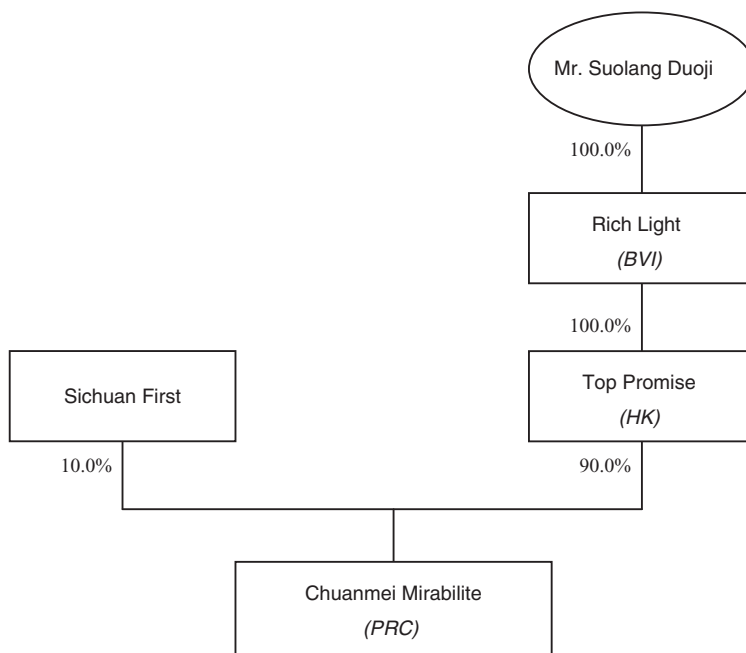
On August 5, 2005, Rich Light was incorporated in the BVI with an authorized share capital of US\$50,000 divided into 50,000 shares of a nominal value of US\$1 each. On August 5, 2005, one share of Rich Light was issued and allotted at par value to OIL Officers Limited, which in turn transferred its single share of Rich Light to Ms. Zou Xu (鄒栩) on August 23, 2005 at par value. OIL Officers Limited is a limited liability company incorporated in the BVI and the initial subscriber to one share of Rich Light upon its incorporation on August 5, 2005. OIL Officers Limited is an Independent Third Party. On August 23, 2005, Ms. Zou Xu and Mr. Xu Yaping (徐亞平) subscribed for and were issued and allotted at par value seven shares and two shares of Rich Light, respectively. As a result, Ms. Zou Xu and Mr. Xu Yaping each held eight shares and two shares of Rich Light, representing 80.0% and 20.0% of the issued share capital of Rich Light, respectively. Pursuant to the declarations of trust dated August 5, 2005 and August 23, 2005 executed by Mr. Suolang Duoji with Ms. Zou Xu and Mr. Xu Yaping, respectively, each of Ms. Zou Xu and Mr. Xu Yaping agreed to hold the eight shares and two shares of Rich Light on trust for Mr. Suolang Duoji.

On November 9, 2005, Rich Light acquired the entire issued share capital of Top Promise from LLC Capital at par value. Upon completion of this acquisition, the entire issued share capital of Top Promise was held by Rich Light.

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On July 26, 2006, Mr. Xu Yaping transferred his two shares of Rich Light to Mr. Zhang Daming (張大明) at par value. Upon the said share transfer, Rich Light was held 80.0% by Ms. Zou Xu and 20.0% by Mr. Zhang Daming. Pursuant to the declaration of trust dated July 26, 2006 between Mr. Zhang Daming and Mr. Suolang Duoqi, Mr. Zhang Daming agreed to hold the two shares of Rich Light in trust for Mr. Suolang Duoqi. As confirmed by Mr. Suolang Duoqi, when he first acquired the controlling interests in Chuanmei Mirabilite in 2004, it had already been operating for an extended period and Mr. Suolang Duoqi did not identify any immediate development opportunities, and for administrative convenience, Mr. Suolang Duoqi set up the trust arrangements through various Independent Third Parties and Mr. Zhang Daming (a Connected Person) to hold his interests in Top Promise and Rich Light.

In late 2006, Mr. Suolang Duoqi identified several projects in the Guangji and Muma Mining Areas as major investment and expansion opportunities which would complement the operations of Chuanmei Mirabilite. In 2007, during the process of arranging the Facility Arrangements for such expansion, the Facility Lenders requested Mr. Suolang Duoqi, as the Controlling Shareholder, to provide security in favor of them for the Facility Arrangements. Accordingly, Mr. Suolang Duoqi unwound the trust arrangements so that he would be the registered as well as the beneficial owner of the shares in both Top Promise and Rich Light, hence allowing him, together with other shareholders, to provide additional comfort to the Facility Lenders, including a continuing guarantee and indemnity provided by Nice Ace. After unwinding the trust arrangements, our corporate structure was as follows:



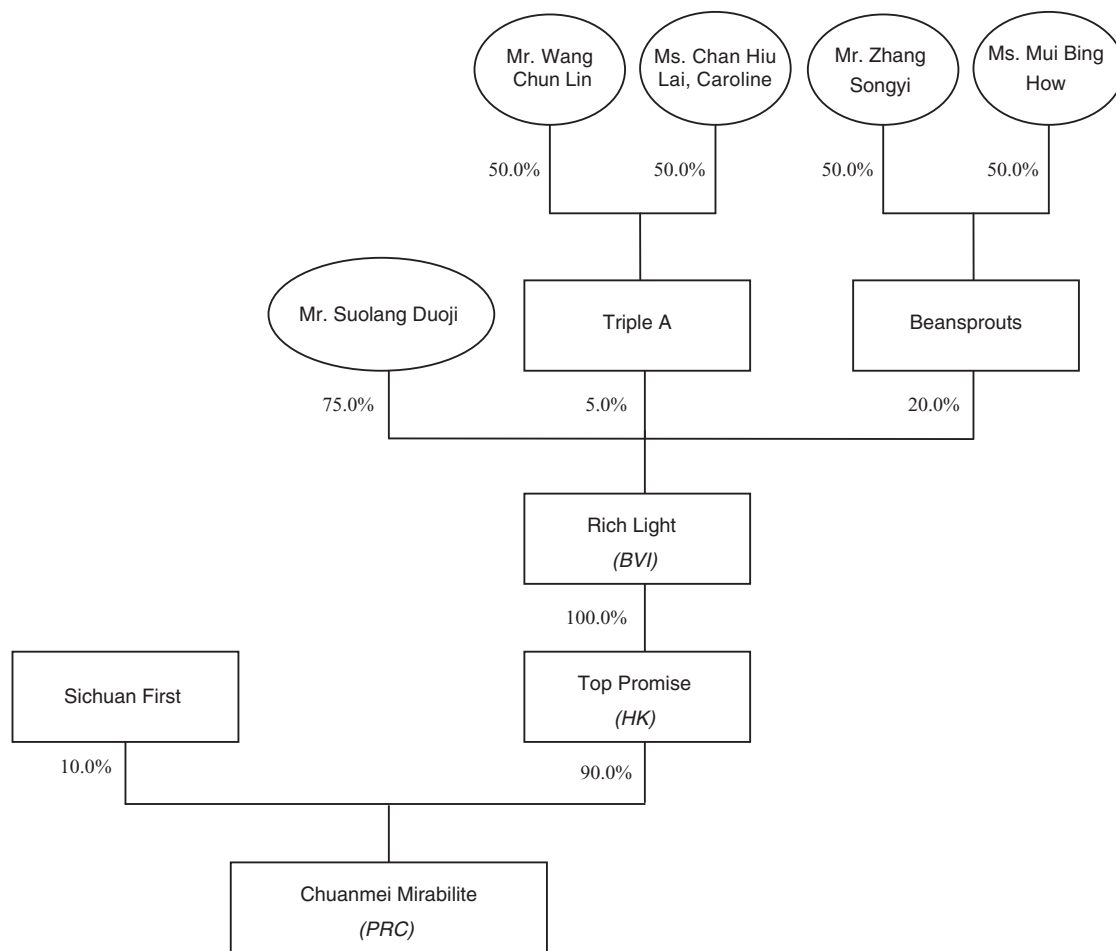
On January 5, 2007, Rich Light allotted and issued at par value 65 shares, five shares and 20 shares to Mr. Suolang Duoqi, Triple A and Beansprouts, respectively. Upon completion of these share issues and allotments, Mr. Suolang Duoqi held 75.0%, Triple A held 5.0% and Beansprouts held 20.0% of Rich Light.

Triple A, a company incorporated in the BVI with limited liability on June 8, 2005, was 50.0% owned by Mr. Wang Chun Lin and 50.0% owned by Ms. Chan Hiu Lai, Caroline (Mr. Wang Chun Lin's spouse). Since Mr. Wang Chun Lin is a non-executive Director, both he and Ms. Chan Hiu Lai, Caroline are Connected Persons.

Beansprouts, a company incorporated in the BVI with limited liability on March 3, 2000, was 50.0% owned by Mr. Zhang Songyi and 50.0% owned by Ms. Mui Bing How (Mr. Zhang Songyi's spouse). Since Mr. Zhang Songyi is a non-executive Director and a Substantial Shareholder, both he and Ms. Mui Bing How are Connected Persons.

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Our corporate structure immediately before the Reorganization was as follows:



Chuanmei Glauber Salt

Chuanmei Glauber Salt was established in the PRC as a WFOE on June 19, 2007. On the date of establishment, the registered capital of Chuanmei Glauber Salt was US\$29.5 million and contributed entirely by Top Promise in cash. On August 1, 2007, Top Promise, being the sole equity holder of Chuanmei Glauber Salt, passed a resolution to amend certain provisions of the articles of association of Chuanmei Glauber Salt, pursuant to which the registered capital of Chuanmei Glauber Salt was increased from US\$29.5 million to US\$50.0 million and the total investment amount was increased to US\$90.0 million. According to the capital verification report issued by Sichuan Wansheng Lianhe Certified Public Accountants (四川萬盛聯合會計師事務所) on November 1, 2007, Top Promise paid the increased capital of US\$20.5 million in full on October 29, 2007.

Reorganization

We underwent the Reorganization in anticipation of the Global Offering. The Reorganization involved the incorporation of Lumena and acquisition of the entire issued share capital of Rich Light, pursuant to which Chuanmei Mirabilite became a 90.0% owned subsidiary of Lumena through Rich Light and Top Promise.

On April 12, 2007, Lumena was incorporated in the Cayman Islands with an authorized share capital of US\$50,000 divided into 500,000 Shares of a nominal value of US\$0.10 each. On the same date, we (i) allotted and issued one Share to Chapel Nominees Limited which then transferred the same to Nice Ace at par value; and (ii) allotted and issued at par value 74,999 Shares, 5,000 Shares and 20,000 Shares to Nice Ace, Triple A and

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Woo Foong Hong, respectively. Upon completion of these transfers, Nice Ace held 75.0%, Triple A held 5.0% and Woo Foong Hong held 20.0% of our Shares.

On May 18, 2007, Nice Ace transferred 2,000 Shares to Asia Coal Bed at par value, while Woo Foong Hong transferred 20,000 Shares to Mandra Mirabilite at par value. Upon completion of these share transfers, Nice Ace held 73.0%, Triple A held 5.0%, Asia Coal Bed held 2.0% and Mandra Mirabilite held 20.0% of our Company.

On June 12, 2007, Mr. Suolang Duoji, Triple A and Beansprouts transferred 75 shares, five shares and 20 shares, respectively, of Rich Light to Lumena at par value. Upon completion of these share transfers, the entire issued share capital of Rich Light was held by our Company and Chuanmei Mirabilite became a 90.0% owned subsidiary of our Company.

On June 20, 2007, Triple A transferred 5,000 Shares to AAA Mining at par value. Upon completion of this share transfer, Nice Ace held 73.0%, AAA Mining held 5.0%, Asia Coal Bed held 2.0% and Mandra Mirabilite held 20.0% of our Company.

On January 2, 2008, Woo Foong Hong transferred its entire shareholding in Asia Coal Bed to Beansprouts at par value. Upon completion of the said share transfer, the entire issued share capital of Asia Coal Bed was held by Beansprouts.

On March 11, 2008, our Company adopted “旭光資源有限公司” as its Chinese company name.

On May 25, 2008, Woo Fong Hong was transferred by Mr. Zhang Songyi and Ms. Mui Bing How to Moonchu.

On May 30, 2008, Mandra Mirabilite transferred 30,400,000 Shares to Mandra Esop at nominal value. Upon completion of the said share transfer, our Company was 73.0%, 18.0%, 5.0%, 2.0% and 2.0% owned by Nice Ace, Mandra Mirabilite, AAA Mining, Asia Coal Bed and Mandra Esop, respectively.

On the same date, Asia Coal Bed transferred 30,400,000 Shares to Mandra Esop at nominal value. Upon completion of the said share transfer, our Company was 73.0%, 18.0%, 5.0% and 4.0% owned by Nice Ace, Mandra Mirabilite, AAA Mining and Mandra Esop, respectively.

On September 11, 2008, Nice Ace sold 26,600,000 shares to OSSF Capital for US\$10 million pursuant to the share purchase agreement among Nice Ace, OSSF Capital and Mr. Suolang Duoji, as guarantor. Upon completion of such sale, our Company was approximately 71.3%, 18.0%, 5.0%, 4.0% and approximately 1.7% owned by Nice Ace, Mandra Mirabilite, AAA Mining, Mandra Esop and OSSF Capital, respectively.

Throughout the Track Record Period and after the Listing, Mr. Suolang Duoji has been and will continue to be our ultimate Controlling Shareholder.

Management Continuity of Our Group During the Track Record Period

During the Track Record Period, Chuanmei Mirabilite has been our principal operating subsidiary. All important business decisions of Chuanmei Mirabilite, including but not limited to business operations, production, sales and marketing, and research and development, were made by the board of directors of Chuanmei Mirabilite together with a group of experienced senior managerial staff. The existing senior management of Chuanmei Mirabilite includes, among others, Mr. Zhang Daming, Mr. Li Xudong and Ms. Deng Xianxue.

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Mr. Zhang Daming has been acting as the general manager of Chuanmei Mirabilite since August 2004. In February 2008, Mr. Zhang Daming was appointed as a director in addition to his position as general manager of Chuanmei Mirabilite.

Mr. Li Xudong has been acting as a director of Chuanmei Mirabilite since July 2004.

Ms. Deng Xianxue has been acting as the financial controller of Chuanmei Mirabilite since March 2005.

Mr. Zhang Daming and Mr. Li Xudong, together with a group of experienced senior managerial staff, formed our core management team during the Track Record Period and will remain in their positions after Listing. Such senior managerial staff include:-

- Mr. Zhu Jimin — Mr. Zhu Jimin joined Chuanmei Mirabilite in 1987. Between 1987 to 2004, he variously acted as deputy mining facilities chief, mining facilities chief, deputy chief of the information division and the head of business department. From August 2004 to February 2006, Mr. Zhu Jimin was the deputy general manager of Chuanmei Mirabilite in charge of mines and the development of technology related to thenardite production. He also acted as the chief supervisor of Chuanmei Mirabilite between September 2004 and February 2006. In February 2006, Mr. Zhu Jimin was appointed chairman of the board of directors of Chuanmei Mirabilite. Mr. Zhu Jimin was also appointed as our mining director in February 2008.
- Mr. Li Chunxian — Mr. Li Chunxian joined Chuanmei Mirabilite in 1997 as a technical advisor. From September 2006 to December 2006, Mr. Li Chunxian acted as the chief engineer of Chuanmei Mirabilite. In January 2007, he was appointed as the chief engineer of Top Promise. Mr. Li Chunxian was appointed as our chief engineer in February 2008.
- Mr. Gou Xingwu — Mr. Gou Xingwu joined Chuanmei Mirabilite in January 1987 and worked as deputy head of the production department, the deputy factory director, the assistant to the general manager and the factory director. In August 2004, Mr. Gou Xingwu was appointed as the deputy general manager of Chuanmei Mirabilite. He was appointed as our human resources and purchasing director in February 2008.
- Mr. Li Hongqing — Mr. Li Hongqing joined Chuanmei Mirabilite in September 1995 and worked as an operation officer, a controller, the deputy thenardite production factory director. In November 2005, Mr. Li Hongqing was appointed as the thenardite production factory director. Since December 2007, he has been working as the deputy general manager and the manager of production department. In February 2008, Mr. Li Hongqing was appointed as our production director.
- Mr. Liu Qiru — Mr. Liu Qiru joined Chuanmei Mirabilite in 1997 as deputy mine superintendent and then mine superintendent. Since October 2001, Mr. Liu Qiru has been the head and then the manager of the production technology department. In April 2007, Mr. Liu Qiru was appointed as chief engineer and the project manager of the Guangji project. Mr. Liu Qiru was appointed as our deputy chief engineer in February 2008.
- Mr. Cao Bin — Mr. Cao Bin joined Chuanmei Mirabilite in December 2003 and previously worked as the deputy manager of sales department. In December 2004, Mr. Cao Bin was appointed as the deputy general manager of Chuanmei Mirabilite and since then has been in charge of Chuanmei Mirabilite's marketing and sales department.

Although there have been changes in the composition of the board of directors of Chuanmei Mirabilite during the Track Record Period, our Directors confirm that the changes were made as a result of amendments to

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the articles of association of Chuanmei Mirabilite in respect of the number of directors constituting the board and the change of equity holders of Chuanmei Mirabilite.

In light of the above, our Directors confirm that there has been no substantial change in the management of Chuanmei Mirabilite during the Track Record Period and that we are in compliance with the management continuity requirement under Rule 8.05(1)(b) and paragraph 2 of Practice Note 3 of the Listing Rules.

Facility Arrangements

Primarily to finance our capital injection in Chuanmei Glauber Salt and our acquisition of the Guangji Mine and Muma Mine, we entered into a Facility Agreement on June 23, 2007 with, among others, Credit Suisse, Singapore Branch, acting as facility agent and security agent, for and on behalf of the Facility Lenders. The Facility Lenders made available to us a US\$100 million term loan facility for five years from the initial drawdown date. On June 28, 2007 and August 3, 2007, we drew down US\$63.0 million and US\$37.0 million, respectively, under the Facility Agreement. Under the Facility Agreement, interest is payable at an annual rate based on the 6-month London Interbank Offered Rate plus (i) 4.0%, for the period prior to the occurrence of a “Qualifying IPO” (as defined in the Facility Agreement to include a listing of our Shares on certain securities exchanges, including the Stock Exchange) or (ii) 2.5%, for the period from the date of the Qualifying IPO. Pursuant to the Facility Agreement, we are required to repay certain amounts under the loan if a Qualifying IPO does not occur within 24 months of the initial drawdown date. Each of the Facility Lenders can request us to repay together with accrued interest and break costs (if any) and a premium of 2%, in whole or in part, its share of the outstanding loan (i) in the event of a change of control event (including Mr. Suolang Duoji ceasing to exercise management control over us or hold a certain percentage of our Shares) or (ii) if, after a Qualifying IPO occurs, any of our Shares cease to be listed on such securities exchange. We have the right to repay the Facility Lenders at any time after 18 months from the initial drawdown date in any amount not less than US\$5 million and in an integral multiples of US\$1 million thereof. We are also obliged to make partial mandatory repayment of the outstanding loan together with accrued interest and break costs (if any) to the Facility Lenders if we receive any net proceeds from any issuance of our debt or equity securities after the date of the Facility Agreement in an amount equivalent to 65% of the net proceeds received by us pursuant to such issuance. The remaining amounts will be converted into a one-year term loan bearing an interest rate of 13.5% per annum repayable in full at maturity. See “— Amendment upon Listing”.

Warrants

As one of the conditions precedent to the provision of the facility under the Facility Agreement, and pursuant to the Instrument Constituting Warrants, Nice Ace, our Controlling Shareholder holding approximately 63.9% of our Shares prior to the Global Offering, issued Warrants exercisable into 7.5% of our fully diluted Shares to the Warrant Holders. On January 8, 2009, only Warrants exercisable into approximately 7.4% of our fully diluted Shares remained outstanding. Under the Warrants, the Warrant Holders have, inter alia, the Purchase Rights and the Put Rights (as defined in the Instrument Constituting Warrants) as follows:

- **Purchase Rights:** Warrants may be exercised in whole or in part to purchase up to a maximum entitlement to the Warrant Holders as a group of 7.4% of our total share capital on a fully diluted basis (excluding the Offer Shares, Over-allotment Shares and any shares to be issued pursuant to the options granted or to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme), at a purchase price of US\$0.00001 per Warrant Share. Nice Ace may, at its option, pay cash to the Warrant Holders to fulfill such obligation provided that such option shall not be available to Nice Ace if such Warrant Holder specifies that such option is not available to Nice Ace.
- **Put Rights:** upon the occurrence of certain events, Warrant Holders may request us to purchase from such Warrant Holder all or any part of its outstanding Warrants. The put price is made with reference to a 16% per annum rate of return.

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Warrants may be exercised from the date of the Instrument Constituting Warrants, June 23, 2007, to (A) 60 months from the first drawdown date under the Facility Agreement if a Qualifying IPO does not occur prior to such date; or (B) if a Qualifying IPO occurs on or prior to 60 months from such first drawdown date, then either (i) 60 months from the expiry of any IPO lock-up period of such Qualifying IPO; or (ii) if there is no such IPO lock-up period, 60 months from the Qualifying IPO. See “Appendix VIII — Principal Terms and Conditions of the Warrants”. The Warrant Holders exercised their Warrants in full and the legal and beneficial ownership over the 111,993,600 Shares was transferred from Nice Ace to the Warrant Holders on May 14, 2009. The effective price per share for the Warrant Shares was nil. See “Appendix VIII — Principal Terms and Conditions of the Warrants”. The purchase rights described above have lapsed as the Warrants have been fully exercised. The put rights described above will lapse upon the Listing.

The fair value of Warrants is assessed by an independent valuer, Jones Lang LaSalle Sallmanns and the requirement under Listing Rule 4.17 has been fully complied with.

Security and Guarantee

The due performance of our obligations under the Facility Agreement are secured by the following securities and guarantees: (i) continuing guarantees and indemnities provided by Nice Ace, AAA Mining, Asia Coal Bed and Mandra Mirabilite; (ii) continuing guarantees and indemnities provided by us, Rich Light and Top Promise; (iii) a share charge over our Shares provided by Nice Ace, AAA Mining, Mandra Esop and Mandra Mirabilite; (iv) a share charge over Rich Light provided by Lumena; (v) a share charge over Shares of Top Promise provided by Rich Light; (vi) an equity pledge over Chuanmei Mirabilite provided by Top Promise; (vii) an equity pledge over Chuanmei Glauber Salt provided by Top Promise; (viii) an assignment of a loan owing to Lumena by Top Promise; (ix) a subordination and assignment deed for indebtedness owing to Mr. Suolang Duoqi by Top Promise; (x) charges over our accounts in Hong Kong and Singapore; and (xi) charges over the accounts of Top Promise. On May 7, 2009, Top Promise entered into a loan agreement with China Sun Fund whereby China Sun Fund made available to Top Promise a HK\$145.0 million offshore loan for three years from the initial drawdown date. On May 8, 2009, Top Promise and China Sun Fund entered into a subordination and assignment deed for such offshore loan to further secure our obligations under the Facility Agreement. With the consent of the Facility Lenders, by May 8, 2009, Top Promise repaid the indebtedness it owed to Mr. Suolang Duoqi in the aggregate amount of HK\$137.8 million with the proceeds of the offshore loan with China Sun Fund.

On September 11, 2008, Credit Suisse, Singapore Branch (as security agent) executed a deed of partial release in favor of Nice Ace pursuant to which Credit Suisse, Singapore Branch released the charge over 26,600,000 Shares by Nice Ace. Such Shares were subsequently sold to OSSF Capital on the same date.

The continuing guarantees and indemnities provided by Nice Ace, AAA Mining, Asia Coal Bed and Mandra Mirabilite, share charge over our Shares provided by Nice Ace, AAA Mining, Mandra Esop and Mandra Mirabilite, share charge over Rich Light provided by us, share charge over Top Promise provided by Rich Light, equity pledge over Chuanmei Mirabilite provided by Top Promise and equity pledge over Chuanmei Glauber Salt provided by Top Promise will be released immediately prior to the Listing as our Company will repay a portion of the outstanding loans under the Facility Arrangements with the proceeds from the Global Offering. The continuing guarantees and indemnities provided by us, Rich Light and Top Promise, subordination and assignment deed for indebtedness owing to China Sun Fund by Top Promise, charges over our accounts in Hong Kong and Singapore, charges over the accounts of Top Promise and assignment of loan owing to us by Top Promise will remain effective after the Listing. No special right was provided to China Sun Fund under the loan arrangement.

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Financial Covenants

The Facility Agreement contains certain financial and operating covenants that require us to maintain certain financial ratios. Please see the table below for the financial covenants required for the indicated periods:

<u>Relevant period ending</u>	<u>Consolidated total debt to consolidated EBITDA ratio no greater than</u>	<u>Consolidated EBITDA to consolidated interest expenses ratio no less than</u>	<u>Consolidated total debt to total capitalization ratio no greater than</u>
On or prior to December 31, 2007	4.75:1	3.0:1	0.80:1
After December 31, 2007 but on or prior to June 30, 2008	4.25:1	3.0:1	0.80:1
After June 30, 2008	3.25:1	3.5:1	0.70:1

In addition, the Facility Agreement limits our ability to, among other things, create or permit any security over our assets, finance the acquisition of new assets, transfer, lease or dispose of assets, or incur additional indebtedness. We have been in breach of certain of these covenants in the past, primarily for our inability to meet certain financial ratios during the relevant period after the initial drawdown on the loan. We were able to obtain waivers from the relevant lenders on October 9, 2007 and May 9, 2008 for such covenant breaches. See “Risk Factors — Risks Relating to our Business and our Industry — We intend to use outstanding bank borrowings, but we may not be able to comply with the covenants under these borrowings or secure sufficient payment or refinancing when they mature”. Upon the full repayment of the loans under the Facility Agreement, the limitations set forth in the Facility Agreement will cease to apply. We will repay a portion of the outstanding loans under the Facility Agreement with the proceeds from the Global Offering. See “Financial Information”.

Certain security documents as referred to above will constitute the provisions of financial assistance to us by connected persons of our Group (as such term is defined under Rule 14A.13(2)(b) of the Listing Rules). The continuing guarantees and indemnities provided by Nice Ace, AAA Mining and Asia Coal Bed and Mandra Mirabilite, share charge over our Shares provided by Nice Ace, AAA Mining, Mandra Esop and Mandra Mirabilite, share charge over Rich Light provided by us, share charge over Top Promise provided by Rich Light, equity pledge over Chuanmei Mirabilite provided by Top Promise and equity pledge over Chuanmei Glauber Salt provided by Top Promise will be released immediately prior to the Listing as our Company will repay a portion of the outstanding loans under the Facility Arrangements with the proceeds from the Global Offering. The continuing guarantees and indemnities provided by us, Rich Light and Top Promise, subordination and assignment deed for indebtedness owing to an Independent Third Party by Top Promise, charges over our accounts in Hong Kong and Singapore, charges over the accounts of Top Promise and assignment of loan owing to us by Top Promise will remain effective after the Listing. Please refer to the sections headed “Use of Proceeds” and “Controlling, Substantial and Selling Shareholders” for more details of such arrangements for repayment of loans and release of security or finance assistance provided by connected persons of our Group.

Amendment upon Listing

On May 29, 2009, we entered into a deed of amendment with the Facility Lenders, pursuant to which the remaining outstanding balance of our offshore bank loan owed to the Facility Lenders will be converted into a one-year term loan upon Listing, bearing an effective interest rate of 13.5% per annum repayable in full at maturity. Such loan will benefit from the continuing guarantees and indemnities provided by us, Rich Light and Top Promise, a subordination and assignment deed for indebtedness owing to China Sun Fund by Top Promise, charges over our accounts in Hong Kong and Singapore and charges over the accounts of Top Promise. In addition, this loan will restrict us from incurring any additional offshore borrowing and limit our onshore borrowings to no more than RMB500 million at any time outstanding. We will still be subject to the financial and operating covenants under the Facility Agreement. See “— Financial Covenants”. See “Risk Factors — Risks Relating to our Business and our Industry — We need additional capital to fund our operations and growth which we may not be able to obtain on acceptable terms, or at all.”

Loan Agreement between Mr. Suolang and Investec Bank

On November 11, 2008, Mr. Suolang Duoji and Nice Ace entered in to a loan agreement with Investec Bank, an Independent Third Party, under which Investec Bank made available a 18-month term loan facility of US\$10 million to Mr. Suolang Duoji for his personal use. Mr. Suolang Duoji drew down the entire amount of the loan facility on November 19, 2008. Pursuant to this agreement, if our Company completes an initial public offering within 18 months after the drawdown date, Investec Bank may in its sole discretion, take delivery of the 55,714,286 Shares currently owned by Nice Ace in lieu of cash repayment of the loan on or before May 19, 2010. Investec Bank is not entitled to demand repayment or request delivery of Shares prior to the Listing. We are not a party to the loan agreement and have no obligation thereunder to repay the loan and/or issuance of new Shares if Mr. Suolang Duoji defaults on repayment of the loan.

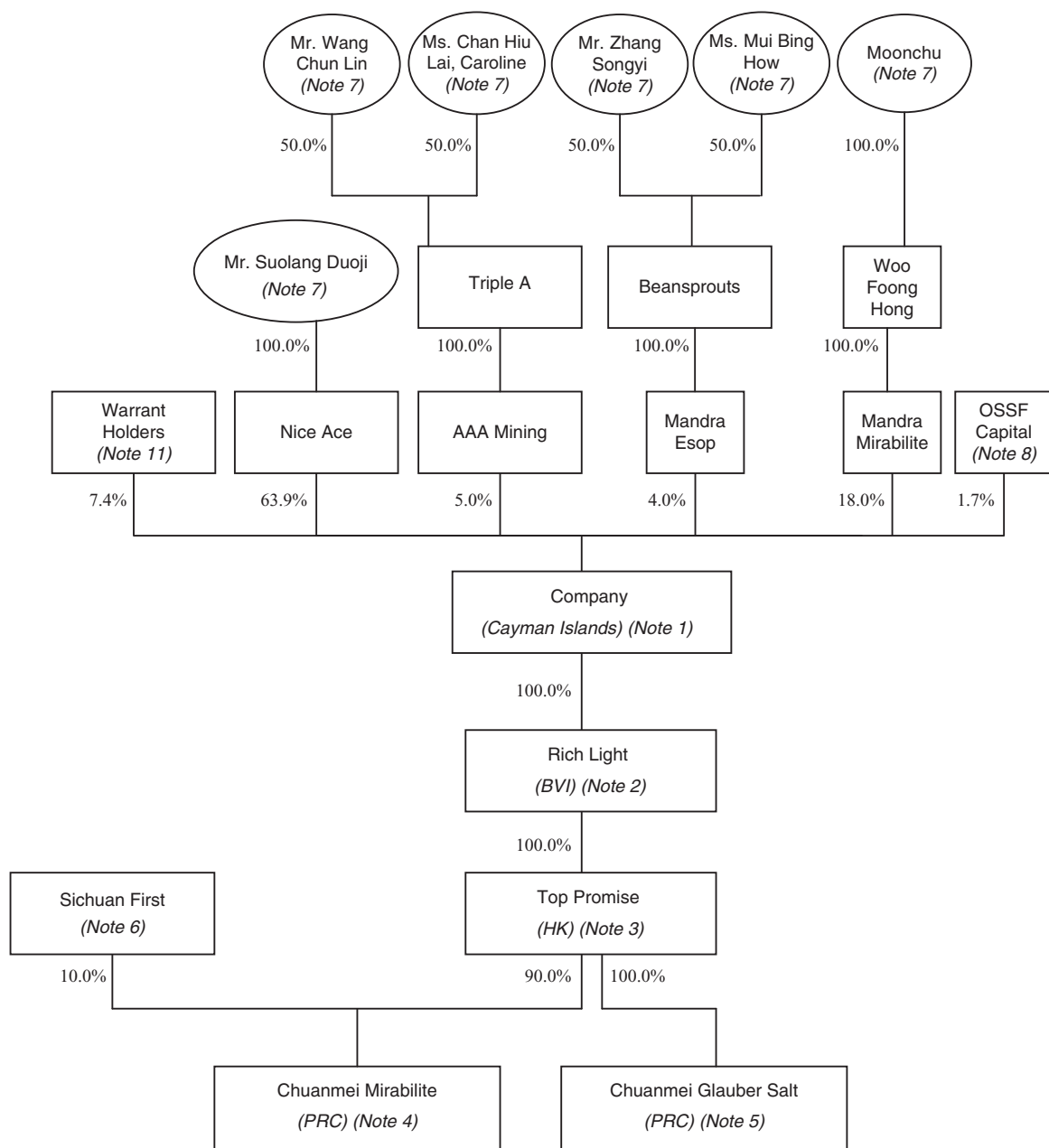
Investec Bank has acknowledged in the loan agreement that the 55,714,286 Shares are subject to the usual lock-up of six months and in case it elects to take ownership of the Shares within the lock-up period applicable to Mr. Suolang Duoji, Mr. Suolang Duoji shall deliver thereto the Shares within 5 business days following the date on which such lock-up period expires. This arrangement satisfies the requirements under Rule 10.07 or 10.08 of the Listing Rules.

In case Investec Bank elects to take ownership of the 55,714,286 Shares in lieu of repayment of the US\$10 million loan, the effective price per Share paid by Investec Bank is approximately HK\$1.4. The 55,714,286 Shares to be disposed of to Investec Bank represent approximately 3.67% of the issued share capital of our Company before listing and approximately 2.9% of the enlarged issued share capital of our Company upon completion of the Global Offering (without taking into account any Shares that may be allotted and issued pursuant to the exercise of (i) options granted under the Pre-IPO Share Option Scheme; and (ii) options that may be granted under the Share Option Scheme).

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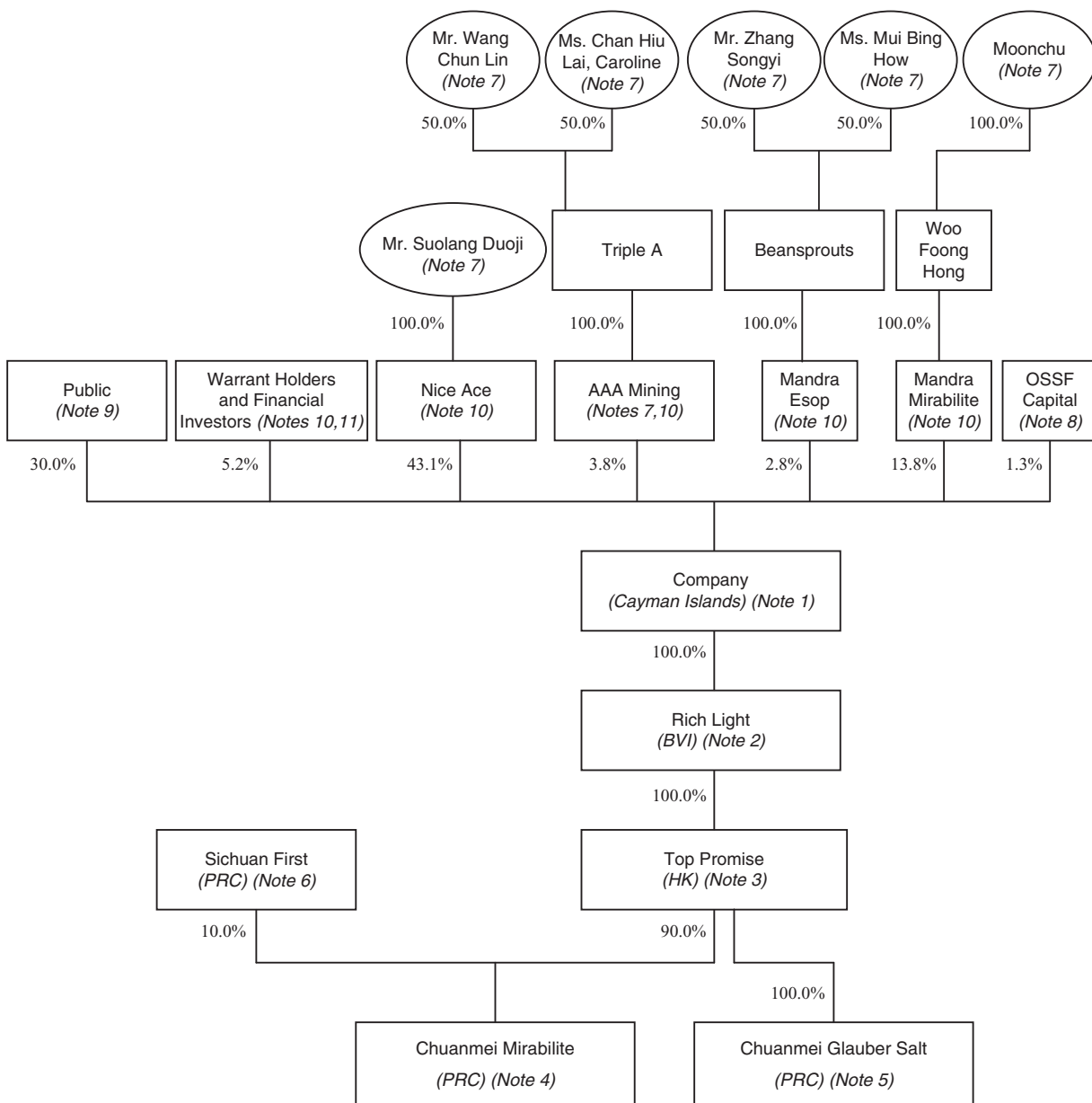
Corporate Structure

The following chart sets out the corporate structure of our Group after the Reorganization but immediately prior to the completion of the Global Offering:



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The following chart sets out the corporate structure of our Group upon completion of the Global Offering (without taking into account (1) any Shares which may be allotted and issued or transferred pursuant to the exercise of (i) the Over-allotment Option; (ii) options granted under the Pre-IPO Share Option Scheme; and (iii) options that may be granted under the Share Option Scheme and (2) the arrangement among Mr. Suolang Duoji, Nice Ace and Investec Bank):



Notes:

1. Our Company was incorporated as an exempted company in the Cayman Islands on April 12, 2007.
2. Rich Light was incorporated as a limited liability company in the BVI on August 5, 2005 and is a direct wholly-owned subsidiary of our Company.
3. Top Promise was incorporated as an investment holding company with limited liability in Hong Kong on February 21, 2005 and is an indirect wholly-owned subsidiary of our Company.
4. Chuanmei Mirabilite was established in the PRC on June 1, 2001 with limited liability and is a 90.0% owned subsidiary of our Company. Top Promise and Sichuan First held 90.0% and 10.0%, respectively, of the equity interest in Chuanmei Mirabilite.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

5. *Chuanmei Glauber Salt was established as a WFOE on June 19, 2007 under the laws of the PRC. On the date of establishment and as at the Latest Practicable Date, the entire equity interest in Chuanmei Glauber Salt is owned by Top Promise.*
6. *Sichuan First is a limited liability company established in the PRC on March 13, 2003. Sichuan First holds a 10.0% equity interest in Chuanmei Mirabilite and is thus a Substantial Shareholder and Connected Person.*
7. *Mr. Suolang Duoji, the founder, chairman, a non-executive Director and a Controlling Shareholder of our Company, will hold approximately 43.1% shareholding of our Company via Nice Ace (a limited liability company incorporated in the BVI and wholly owned by Mr. Suolang Duoji) following completion of the Global Offering. Nice Ace's shareholding is subject to a loan agreement with Investec Bank. Investec Bank may take 55,714,286 Shares in lieu of cash repayment of the loan only after the Listing.*

Mr. Wang Chun Lin, a non-executive Director and his spouse, Ms. Chan Hiu Lai, Caroline will together hold approximately 3.8% shareholding of our Company via AAA Mining (a limited liability company incorporated in the BVI and wholly owned by Triple A, a limited liability Company incorporated in the BVI and 50% owned by Mr. Wang Chun Lin and 50% owned by Ms. Chan Hiu Lai, Caroline.) following completion of the Global Offering.

Mr. Zhang Songyi, a non-executive Director, and his spouse, Ms. Mui Bing How will together hold approximately 2.8% shareholding of our Company via Mandra Esop (a limited liability company incorporated in the BVI and wholly owned by Beansprouts, a limited liability company incorporated in the BVI and 50.0% owned by Mr. Zhang Songyi and 50.0% owned by Ms. Mui Bing How), following completion of the Global Offering.

Moonchu is a tax-exempt charity established in Hong Kong of which its members of association are Mr. Zhang Songyi, Ms. Mui Bing How (spouse of Mr. Zhang Songyi) and Mr. Chang Tsong Zung (brother of Mr. Zhang Songyi), will together hold approximately 13.8% shareholding of our Company via Mandra Mirabilite (a limited liability company incorporated in the BVI and wholly owned by Woo Foong Hong, a limited liability company incorporated in the BVI and wholly owned by Moonchu) following completion of the Global Offering.

8. *OSSF Capital is a limited liability company incorporated in Malaysia on March 24, 2006. Its sole shareholder is STIC Shariah Co., Ltd. (as General Partner of Oryx/ STIC Korean Technology Fund LTD.P.) which holds two ordinary shares of RM1 each and 112,487 redeemable preference shares of RM1 each in the issued share capital of OSSF.*
9. *Assuming that the Over-allotment Option is exercised, the public float will be increased to 34.5%.*
10. *As part of the Global Offering, the Selling Shareholders agreed to sell part of their Shares. Upon completion of the Global Offering, the aggregate shareholding of the Selling Shareholders will be reduced to 70.0%.*
11. *The Warrant Holders are the record holders of 111,993,600 Shares prior to the Global Offering. The Warrant Holders will sell a total of 12,989,000 Shares as part of the Global Offering, assuming the Over-allotment Option is not exercised. In particular, pursuant to certain participation agreements and credit default swap arrangements entered into between 2007 and 2009 and amended in May 2009 between one of the Warrant Holders, Credit Suisse International, and the Financial Investors, Credit Suisse International will (i) sell 11,041,000 Shares as part of the Global Offering on behalf of itself and the Financial Investors, and (ii) transfer 49,811,400 Shares it holds on behalf of the Financial Investors to such Financial Investors at or about the time of the Listing for zero consideration. Upon the completion of such transfer, each Financial Investor will not hold more than 1% of the enlarged issued share capital of our Company. None of our Company, any member of our Group or our Directors are parties to such participation agreements or credit default swap arrangements.*