
DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BOARD OF DIRECTORS

The particulars of Directors are set forth below:

Executive Directors

Mr. JIANG Zhongping (蔣中平), aged 43, is an executive Director and the chairman of our Company. Mr. JIANG is primarily responsible for the overall management and strategic planning and business development of our Group. Mr. JIANG joined our Group in March 2008 as director of Huili Caitong. Mr. JIANG has over 19 years of experience in production and quality control in the steel industry. Mr. JIANG was a technician, head of quality control department and the chief manager of the audit department of Chuan Wei from August 1989 to April 2008. Mr. JIANG graduated from Chongqing Steel and Iron College (重慶鋼鐵專科學校) in Chongqing in July 1989 with a college degree in iron and steel rolling.

Mr. LIU Feng (劉峰), aged 40, is an executive Director and the chief executive officer of our Company. Mr. LIU is primarily responsible for the management of daily operations and development of our operations of our Group. Mr. LIU joined our Group in December 2004 as vice general manager of Huili Caitong. Mr. LIU has over 20 years of experience in civil engineering, quality control and technology applications in the steel industry. Mr. LIU was a technician, deputy head of civil engineering department, and deputy general managers of a number of subsidiaries of Chuan Wei from August 1988 to October 2005. Mr. LIU is responsible for the management of our Baicao Mine and our Baicao Processing Plant. Mr. LIU graduated from Chongqing Architecture University (重慶建築大學) in Chongqing in December 1996 with a college degree in construction engineering.

Mr. WANG Yunjian (王運建), aged 42, is an executive Director and the chief operating officer of our Company. Mr. WANG is primarily responsible for the daily operations of our Group. Mr. WANG joined our Group in May 2005 as director of Huili Caitong. Mr. WANG has 19 years of experience in steel production, technology applications and operations management in the steel industry. Mr. WANG was a technician, technical chief, deputy general manager and the financial chief of Chuan Wei from October 1998 to November 2005. Mr. WANG graduated from Chongqing Steel and Iron College (重慶鋼鐵專科學校) in Chongqing in July 1989 with a college degree in steel rolling.

Mr. YU Xingyuan (余興元), aged 39, is an executive Director and the chief investment officer of our Company. Mr. YU is primarily responsible for the business development of our Group. Mr. YU joined our Group in October 2004 as director of Huili Caitong. Mr. YU has 15 years of experience in steel production, technology applications and operations management in the steel industry. Mr. YU was a technician, technical chief and head of technical development department of Chuan Wei from August 1992 to September 2003. Mr. YU graduated from Northeast Industrial Institute (東北工學院) in Shenyang, Liaoning Province in July 1992 with a bachelor's degree in mining engineering. Mr. YU received a master's degree from Chongqing University (重慶大學) in Chongqing in December 2004 in metallurgy engineering.

Non-executive Directors

Mr. WANG Jin (王勁), aged 46, is a non-executive Director of our Company. Mr. WANG is the chairman and chief executive officer of Chuan Wei. Mr. WANG obtained the qualification of senior economist (高級經濟師) from Sichuan Province Professional Title Reform Leading Group (四川省職稱改革領導小組), a PRC governmental authority in April 2000. Mr. WANG has accumulated

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

over 20 years of experience in steel production, raw material procurement and operations management in the steel industry. Mr. WANG joined Chuan Wei in September 1987 and was promoted to the chairman of Chuan Wei in May 1998. Mr. WANG has been a director of the Atlantic China Welding Consumables, INC. (四川大西洋焊接材料股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600558), since September 1999. Mr. WANG graduated from Chongqing University (重慶大學) in Chongqing in July 1987 with a bachelor's degree in viscous pressure. Mr. WANG received a master's degree in industrial engineering from Chongqing University (重慶大學) in Chongqing in December 2002. He served as a deputy to the 10th National People's Congress (第十屆全國人大代表) from March 2003 to March 2008 and he is currently serving as a deputy to the 11th National People Congress (第十一屆全國人大代表). He is also currently the director of the China Confederation of the Iron and Steel Industry (中國鋼鐵工業聯合會常務理事), the vice-chairman of the Sichuan Chamber of Commerce (四川省商會副會長), and the vice-chairman of the Sichuan Enterprise Confederation and Sichuan Entrepreneur Association (四川省企業聯合會暨企業家協會副會長).

Mr. ZHU Xiaolin (朱曉林), aged 36, is a non-executive Director of our Company. Mr. ZHU joined Chuan Wei in October 2004 and is currently the chief investment officer of Chuan Wei. Mr. ZHU has over 13 years of experience in accounting and enterprise management in various industries in the PRC. Mr. Zhu obtained the qualified accountant certificate from Ministry of Finance (財政部) in December 1997. Mr. ZHU was an accountant and manager of Leshan-Phoenix Semiconductor Co., Ltd. and was the chief financial officer and chief investment officer of Xinde Telecom International Venture from August 1995 to March 1997 and from March 1997 to March 2002, respectively. Mr. ZHU was the chief financial officer of New Hope Group from March 2002 to December 2004. Mr. ZHU graduated from Southwestern University of Finance and Economics (西南財經大學) in Chengdu City, Sichuan Province in July 1995 with a bachelor's degree in accounting.

Mr. TEO Cheng Kwee (張青貴), aged 56, is a non-executive Director of our Company since December 7, 2008. Mr. TEO has over 30 years of experience in the building and construction industry. Mr. TEO is the chief executive officer and founder of Sapphire Corporation Limited, a company listed on the Singapore Exchange Limited (Ticker symbol: 589.SI). He was appointed to the board of Sapphire Corporation Limited since November 26, 1985. Mr. TEO graduated from Thomson Secondary School (德新中學) in Singapore in 1971.

Mr. DEVLIN Paul Jason, aged 39, is a non-executive Director of our Company appointed by Green Globe since December 7, 2008. According to the Articles of Association, Mr. DEVLIN may be subject to re-election upon expiration of his term. The Directors confirm that all special appointment rights granted to Green Globe will be terminated before [●]. Mr. DEVLIN has experience in the investment finance field. He was the first vice-president, head of Central bank Sales of Asia Painewebber International (Singapore) Pte. Ltd., an investment firm. Mr. DEVLIN has been the managing director of Sky Mountain Capital Management Limited, a private equity management firm since September 20, 2007. Mr. DEVLIN has been a full member of the Institute of Directors in London since September 2008. Mr. DEVLIN graduated from Victoria University in Manchester, UK in 1992 with a bachelor of arts in economic and social studies and the University of Chicago Graduate School of Business in Chicago, USA with a Master of Business Administration degree in 2003.

Independent non-executive Directors

Mr. YU Haizong (余海宗), aged 45, is an independent non-executive Director of our Company since September 4, 2009. Mr. YU was a chartered public accountant in Sichuan Tongde Certified Accountants Firm (四川同德會計師事務所) (formerly known as Chengdu Xinda Certified Accountants

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Firm (成都信達會計師事務所) from 1994 to 2000. Mr. YU was a chartered public accountant (non-practicing) in the PRC, a member of the Chartered Public Accountant Further Education Committee of Sichuan Association of Chartered Public Accountants (四川省註冊會計師協會CPA後續教育委員會), a member of the expert panels of Bureau of Land and Resources of Sichuan (四川省國土資源廳) and Science and Technology Bureau of Sichuan (四川省科學技術廳). Mr. YU is a professor, master and doctoral supervisor of the Accounting Faculty of Southwestern University of Finance and Economics (西南財經大學) in Chengdu City, Sichuan Province. Mr. YU is also the dean of the Modern Accounting Research Institute at Southwestern University of Finance and Economics (西南財經大學現代會計研究所) in Chengdu City, Sichuan Province. Mr. YU worked in the finance department of Weiyuan Steel Factory (威遠鋼鐵廠) from July 1988 to August 1990. Mr. YU served as an independent non-executive director of Xinan Huaji Company Limited (西南化機股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: SZ000838) from 1998 to 2000 and he has been serving as an independent non-executive director of Junyu Checheng Company Limited (金宇車城股份有限公司) ("Jinyu Checheng"), a company listed on the Shenzhen Stock Exchange (Stock Code: SZ000803) since May 2004. He is currently a member of audit committee and remuneration committee of Jinyu Checheng. As a member of the audit committee of Jinyu Checheng, Mr. YU's duties include reviewing the internal control system and reviewing and analyzing financial statements of the company. Mr. YU received a bachelor's degree from Southwestern University of Finance and Economics (西南財經大學) in Chengdu City, Sichuan Province in accounting in July 1988, a master's degree in economics (accounting) in December 1992 and a doctoral degree in management (accounting) in March 2002. Through his professional qualification as a chartered public accountant, his education background in accounting and his previous experience as an independent non-executive director of public companies, he meets the criteria for accounting and related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Our Directors are of the view that Mr. YU's experience with internal controls and reviewing and analyzing audited financial statements of a public company gained while serving as a member of audit committee of Jinyu Checheng enables him to meet the requirements under [●].

Mr. GU Peidong (顧培東), aged 52, is an independent non-executive Director of our Company since September 4, 2009. Mr. GU was a PRC qualified lawyer. Mr. GU was a commissioner of the Lawyer Notarization Expert Advisory Committee of the PRC Ministry of Justice (司法部律師公証專家諮詢委員會), an adviser to the Science and Technology Advisory Group of Sichuan (四川省科技顧問團), a commissioner of the Expert Advisory Committee of the People's Procuratorate of Sichuan (中國國際貿易仲裁委員會) and an arbitrator of the China International Economic and Trade Arbitration Commission. Mr. GU was a teacher in Southwest University of Political Science and Law (西南政法大學) in Chongqing from 1984 to 1987. Mr. GU was a director of the Graduate School of Development and Reform of the Sichuan Province Systems Reform Commission (四川省發展與改革研究所) from 1987 to 1995 and a secretary general of the Sichuan Province Systems Reform Commission (四川省發展與改革委員會). In 1995, Mr. GU established his own law firm Sichuan Zhongwei Law Firm (四川中維律師事務所). Mr. GU was a professor and doctoral supervisor at Southwest University of Political Science and Law (西南政法大學) in Chongqing in 2003 and is currently a professor and doctoral supervisor at Sichuan University (四川大學). Mr. GU received a bachelor's degree in civil litigation law from Southwest University of Political Science and Law (西南政法大學) in Chongqing in December 1981 and a master's degree in law in January 1985.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. LIU Yi (劉毅), aged 47, is an independent non-executive Director of our Company since September 4, 2009. Mr. LIU has been working at Sichuan Metallurgical Design and Research Institute (四川省冶金設計研究院) since July 1987, engaging in project consulting, beneficiation process and tile design, feasibility study and engineering design work and specializing in mineral processing engineering. His past experiences in mining design projects include constructing iron concentrates production lines of various capacities, and mining operations planning for vanadium-bearing titanomagnetite mines. He is currently the director and chief project designer of the mining office of Sichuan Metallurgical Design and Research Institute (四川省冶金設計研究院). Mr. LIU studied at the faculty of mining resource engineering of Xi'an Metallurgy and Architecture College (西安冶金建築學院) in Xi'an City, Shanxi and received a bachelor's degree in engineering from Xi'an Metallurgy and Architecture College (西安冶金建築學院) in Xi'an City, Shanxi in 1987.

Mr. WU Wei (吳偉), aged 48, is an independent non-executive Director of our Company since September 4, 2009. Mr. WU has been working at various positions within the Panzhihua Iron & Steel (Group) Company group between 1982 and 2007. He has over 20 years' experience in the iron and titanium- related business, specially in mining and beneficiation process. Mr. WU studied at the mining faculty of the North Eastern Engineering College (東北工學院) in Shenyang City, Liaoning Province and received a bachelor's degree in engineering from the North Eastern Engineering College (東北工學院) in Shenyang City, Liaoning Province in 1982. Mr. WU was certified as a Senior Engineer (高級工程師) by Panzhihua Iron and Steel (Group) Company (攀枝華鋼鐵(集團)公司) in April 1994.

SENIOR MANAGEMENT

Mr. JIANG Zhongping (蔣中平) is the chairman of our Company. Details of his biography are set out above in this section.

Mr. LIU Feng (劉峰) is the chief executive officer of our Company. Details of his biography are set out above in this section.

Mr. WANG Yunjian (王運建) is the chief operating officer of our Company. Details of his biography are set out above in this section.

Mr. YU Xingyuan (余興元) is the chief investment officer of our Company. Details of his biography are set out above in this section.

Mr. KONG Chi Mo (江智武), aged 34, *FCCA, ACIS, ACS*, is the chief financial officer of our Company since May 2008. Prior to joining our Company, Mr. KONG was an audit senior manager at KPMG's Beijing Office. In his eight years with KPMG, Mr. KONG was the engagement manager on audits for the initial public offerings and annual audits of several Chinese companies listed in Hong Kong and the United States. Mr. KONG has been a fellow of the Association of Chartered Certified Accountants since February 2008 and an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Company Secretaries and Administrators, respectively, since April 1, 2009. Prior to joining KPMG, Mr. KONG worked as a tax associate and finance trainee in PricewaterhouseCoopers and Hutchison Telecommunications (Hong Kong) Limited, respectively. Mr. KONG graduated from the Chinese University of Hong Kong in May 1997 with a bachelor's degree in business administration.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Prior to Mr. KONG Chi Mo's appointment, Mr. TANG Wei (湯偉) was the chief financial officer of Huili Caitong since January 2007. Mr. TANG currently is the head of the finance department of Huili Caitong. Mr. TANG worked at the accounting department of Chuan Wei since February 2004, and was the head of that accounting department of Chuan Wei since July 2005. He worked at the finance division of the mining resources department of Chuan Wei as a financial officer from May 2006 to January 2007. Mr. TANG graduated from Guizhou College of Finance and Economics (貴州財經學院) in Guizhou in July 2003 with a bachelor's degree in accounting.

COMPANY SECRETARY

Mr. KONG Chi Mo (江智武) is the company secretary of our Company. Mr. KONG is working for our Company on a full time basis. Details of his biography are set out above in this section in this document.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

The aggregate compensation amount (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and share-based compensation) paid to our Directors for the years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2009 was approximately RMB176,000, RMB281,000, RMB1,195,000 and RMB456,000, respectively.

Our remuneration committee reviews and recommends the terms of remuneration packages, including bonuses and other compensation payable to our Directors to ensure that the terms are in line with our Directors' performance as well as in compliance with the relevant regulations. The remuneration committee's recommendations are then approved by the Board and at a meeting of the Shareholders. Our executive Directors' remuneration for the Track Record Period is based on our actual financial results and performance in the Track Record Period.

The aggregate amount of compensation (including fees, salaries, contributions to pension schemes, allowances, share-based compensation and other allowances and benefits in kind and bonuses) paid to our five highest paid individuals for the years ended December 31, 2006, 2007, 2008 and the six months ended June 30, 2009 were approximately RMB1,036,000, RMB1,116,000, RMB2,015,000 and RMB1,086,000, respectively. Following [●], any discretionary bonuses shall be declared and approved by the Board and the remuneration committee according to our operating performance, financial position and business development plan.

No compensation was paid by us to or received by a Director or past Director for the loss of office as our Director or of any other office in connection with the management of our affairs. None of our Directors has waived any emoluments.

Except as disclosed above, no other payments have been paid or are payable during the Track Record Period, by us or any member of our Group to our Directors.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

EMPLOYEES

As of June 30, 2009, we had a total of 928 full-time employees. Substantially all of our employees are based in the PRC. The following table shows a breakdown of our employees by functions:

Function	
Management	24
Administration	64
Operations	
Production	585
Quality control	54
Maintenance	55
Warehouse and security	108
Production safety and environmental protection	8
Sales and marketing	4
Technology	26
Total	<u>928</u>

OUR RELATIONSHIP WITH OUR EMPLOYEES

We recognize the importance of maintaining good relations with our employees. The remuneration payable to the employees includes salaries and allowances.

We have not experienced any significant problems with our employees or disruption to our operations due to labor disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff. Our Directors believe we have a good working relationship with our employees.

SOCIAL INSURANCE AND HOUSING FUNDS

As of June 30, 2009, we have established various benefit plans including the provisions of social insurance and housing funds.

According to the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) effective on January 22, 1999, Huili Caitong was required to make a social insurance registration within 30 days of the effective date of the aforesaid interim regulations and Xiushuihe Iron was required to make such registration within 30 days of its establishment date, which was March 21, 2000.

Although registration was delayed, we completed the registration for social insurance (including pension insurance, medical insurance, labor injury insurance, maternity insurance and unemployment insurance) for Huili Caitong and Xiushuihe Iron on September 5, 2005 and January 1, 2006, respectively. After registration, we made social insurance contributions in accordance with the relevant national and local laws and regulations governing social insurance. The social insurance authorities of Huili County have confirmed that (i) we will not be penalized for our failure to complete the social insurance registration and to make social insurance contributions prior to our social insurance registration and (ii) we will not be required to make social insurance contributions with respect to the period prior to our social insurance registration.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

According to the Regulations on the Administration of Housing Funds (《住房公積金管理條例》) effective on April 3, 1999 and amended on March 24, 2002, Huili Caitong was required to make a housing fund payment registration within 60 days of the effective date of the aforesaid regulations and Xiushuihe Iron was required to make such registration within 30 days of the date of its reincorporation from a township and village enterprise to a limited liability company, which was June 26, 2007.

Although registration was delayed, we completed the housing fund payment registration for Huili Caitong and Xiushuihe Iron on March 18, 2008 and March 25, 2008, respectively. Following the housing fund payment registration, we made housing fund contributions in accordance with relevant laws and regulations governing housing funds. The Liangshan Housing Fund Administration Center Huili Branch has confirmed that (i) we will not be penalized for our delayed housing fund payment registration and to make housing fund contributions prior to our housing fund payment registration and (ii) we will not be required to make housing fund contributions with respect to the period prior to our housing fund payment registration.

EMPLOYEE REMUNERATION

We determine employee remuneration based on factors such as qualifications and years of experience. Our staff costs (including Directors' and senior management's emoluments) for the years ended December 31, 2006, 2007 and 2008 and the six months ended June 30, 2009 were approximately RMB7.4 million, RMB10.5 million, RMB19.1 million and RMB11.5 million, respectively. The continuous significant increase in staff costs during the Track Record Period is mainly due to our business expansion, which led to the increase in the number of administration employees and labor workers working at our processing plants. The number of full-time employees was 625, 673, 926 and 928 as of December 31, 2006, 2007 and 2008 and June 30, 2009, respectively.

BOARD COMMITTEES

Audit committee

We established an audit committee on September 4, 2009, with written terms of reference as suggested under the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

The primary duties of the audit committee are to review and supervise our financial reporting processes and internal control system. The audit committee currently consists of four members, being Messrs. YU Haizong, ZHU Xiaolin, GU Peidong and LIU Yi, of which Mr. YU Haizong is the chairman.

Remuneration committee

We established a remuneration committee on September 4, 2009.

The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. At present, the remuneration committee consists of four members, being Messrs. WANG Jin, YU Haizong, GU Peidong and WU Wei, of which Mr. WANG Jin is the chairman. Under our remuneration committee's terms of reference, a member of the remuneration committee with a personal interest in any matter presented in a meeting of our remuneration committee shall abstain from attending the relevant meeting.