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## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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### GENERAL

The following table sets forth information regarding our current Directors and senior officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
<b>Executive Directors</b>		
Wang Xingchun (王興春) . . . . .	46	Chairman of our Board and Chief Executive Officer
Zhu Hongchan (朱紅嬋) . . . . .	35	Executive Director and Vice President
Yasuhisa Yamamoto . . . . .	50	Executive Director
Apolonius Struijk . . . . .	54	Executive Director
Cui Yong (崔勇) . . . . .	35	Executive Director
<b>Non-executive Directors</b>		
Cui Guiyong (崔桂勇) . . . . .	48	Non-executive Director
Liu Qingchun (劉青春) . . . . .	44	Non-executive Director
Lu Chuan (呂川) . . . . .	40	Non-executive Director
<b>Independent Non-executive Directors</b>		
James Downing . . . . .	56	Independent Non-executive Director
Ng Yuk Keung (吳育強) . . . . .	45	Independent Non-executive Director
Wang Wenfu (王文福) . . . . .	43	Independent Non-executive Director
George Jay Hambro . . . . .	35	Independent Non-executive Director
<b>Senior Management</b>		
Zhu Qingrang (朱慶讓) . . . . .	61	Executive Vice President
Ma Li (馬麗) . . . . .	40	Vice President
Di Jingmin (邸京敏) . . . . .	38	Vice President
Xu Changmao (徐昌茂) . . . . .	43	Vice President
Xie Wenzhao (謝文釗) . . . . .	36	Chief Financial Officer
Wang Yaxu (王雅旭) . . . . .	38	Chief Accountant
Cao Xinyi (曹欣怡) . . . . .	27	Secretary to the Board

### BOARD OF DIRECTORS

Our Board consists of twelve Directors, comprising five executive Directors, three non-executive Directors and four independent non-executive Directors. The powers and duties of our Board include convening shareholders' meetings and reporting the Board's work at shareholders' meetings, implementing resolutions passed at shareholders' meetings, determining our business plans and investment plans, formulating our annual budget and final accounts, formulating our proposals for profit distributions and for the increase or reduction of registered capital as well as exercising other powers, functions and duties as conferred by our Memorandum and Articles of Association. All our Directors have entered into service contracts with our Company.

Save as disclosed in this prospectus, none of our Directors has any other directorships in listed companies during the three years immediately prior to the date of this prospectus.

#### Executive Directors

**Wang Xingchun (王興春)**, aged 46, is the founder of our Company and the Chairman of our Board and Chief Executive Officer of our Company. He was appointed as our Director on 17 September 2007. He is also a director of a number of our subsidiaries. He is responsible for formulating the overall business development strategies for our Company and communication with key suppliers and customers of our Group. Mr. Wang has over 20 years of international commodities business and management experience, as well as 15 years of experience in the development of cross-

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border logistics infrastructure and its operations. In 1990, Mr. Wang worked as an agent at Hong Kong Management Service (Chemicals) Limited, a company incorporated in Hong Kong which belonged to the Landmark Chemicals Group of companies engaging in international chemical product trading. In 1995, Mr. Wang, through his wholly-owned entity, Goldliq, invested in and acted as the Vice Chairman of Manzhouli Haitie Yonghui, a company which owns and operates the transshipping facilities at the Manzhouli Railway Port neighbouring Russia through which Manzhouli Haitie Yonghui engages in the storage and cross border transportation of oil and petrochemical products. Mr. Wang also founded Winsway Macao in 1995. Mr. Wang studied mechanical manufacturing at the Beijing Open University from 1984 and obtained a diploma in 1987.

**Zhu Hongchan** (朱紅嬋), aged 35, is an executive Director and a Vice President of our Company. Ms. Zhu was appointed as a Director on 18 June 2010. She joined Winsway Group in 1995 and has worked in the Chemical Trading and Sales departments of our parent group where she accumulated extensive experience in the value-adding operations of energy resources and commodities, and which has enabled Ms. Zhu to successfully lead and manage the sales team of our Group in implementing our Group's sales and future growth strategies. Ms. Zhu became a Vice President of our Group in October 2008 and is responsible for the management of the procurement of coal and sales activities. Ms. Zhu is also a director of our subsidiary, Beijing Winsway. Ms. Zhu graduated from the Beijing University of Chemical Technology in 1995 with a bachelor's degree in Management Engineering.

**Yasuhisa Yamamoto**, aged 50, is an executive Director of our Company. He joined Winsway Group in 2007 and was then responsible for its petroleum operations. He was appointed as a Director on 18 June 2010. Mr. Yamamoto is now responsible for the procurement of seaborne coal. Prior to joining our Group, Mr. Yamamoto worked at the Tokyo, Beijing, London and Hong Kong offices of Marubeni Corporation, a company engaged in the trading of textiles, pulp and paper, chemicals, energy, metals, mineral resources and transportation machinery in the global market, since 1982. Mr. Yamamoto has extensive experience in trading, corporate governance, subsidiaries' affiliations and risk management. Mr. Yamamoto obtained a Bachelor of Laws degree from Kobe University in 1982.

**Apolonius Struijk** (also known as Paul Struijk), aged 54, is an executive Director of our Company. He joined our Group on a full-time basis in 2009 and was appointed as a Director on 18 June 2010. Prior to 2009, Mr. Struijk acted as an adviser to Mr. Wang where he was mainly involved in advising on the business development strategies and assisting in formulating business plans in relation to the overseas petrochemical business carried out by our parent group since its establishment in 1995. Mr. Struijk is responsible for the procurement of seaborne coal. He is also responsible for the mergers and acquisitions activities of our Group. Mr. Struijk is also a director of our subsidiary, Winsway Australia and a Managing Director of our subsidiary, Winsway Singapore. Mr. Struijk is also a director of Peabody-Winsway JV. Mr. Struijk began his career in international trade in 1974 after his secondary education and has previously worked in Africa, Germany and Brazil from 1974 to 1979 and worked for the US-based International Chemical Cooperation from 1979 to 1984. From 1984 to 1994, Mr. Struijk was employed by SA Belgium Marketing Services NV, a Belgium company which belonged to the Landmark Chemicals Group of companies engaging in international chemical product trading, where he was responsible for building the Eastern European business of the company. From 1994 to 2000, Mr. Struijk engaged in petroleum and chemical trading as an entrepreneur. Since 2000, Mr. Struijk has acted as an adviser to various international companies.

**Cui Yong** (崔勇), aged 35, was appointed as an executive Director on 18 June 2010. Dr. Cui joined Winsway Group in 2000, through which he accumulated broad experience in the transportation, logistics and value-adding operations of energy resources and commodities. He is also a director of our

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subsidiary, Inner Mongolia Haotong. He is responsible for strategy and new business development of our Group. Dr. Cui also acts as a non-executive director of Xinyuan Real Estate Co. Ltd., a company listed on the New York Stock Exchange. From September 2007 to January 2010, he acted as an independent non-executive director of Yardway Group Limited, a company listed on the Hong Kong Stock Exchange. From November 2004 to November 2007, Dr. Cui also acted as an independent director of Zhongshan Vantage Gas Appliance Stock Co., Ltd., a company listed on the Shenzhen Stock Exchange. He has extensive experience in corporate finance and corporate planning and management. Dr. Cui obtained his bachelor degree in finance, master's degree in money and banking and doctorate degree in finance from the School of Finance of Renmin University in 1995, 1998 and 2001, respectively.

### Non-executive Directors

**Cui Guiyong** (崔桂勇), aged 48, was appointed as a non-executive Director on 18 June 2010. He is a partner of HOPU Investment Management Co. Ltd., a company indirectly interested in Winstar, one of our Pre-IPO Investors, which invested in our Company in April 2010 by way of subscription for the Preference Shares in an amount of US\$60,000,000. Prior to joining HOPU Investment Management Co. Ltd. in May 2008, he was an investment banker for 14 years, during when he acted as a Managing Director at Morgan Stanley Asia Limited from 2007, Managing Director and Head of Energy and Resources Group of HSBC Investment Banking Asia Pacific from 2004 to 2007, Managing Director and Head of Investment Banking Division of ICEA Capital from 2002 to 2003 and assumed various positions in N M Rothschild & Sons Group from 1994 in London, Sydney and Hong Kong, including the position of Managing Director of Investment Banking and the Chief Representative of China in N M Rothschild & Sons' Beijing Office before he left the company in 2002. He is also an alternate director of China Mengniu Dairy Company Limited, a company listed on the Hong Kong Stock Exchange. Mr. Cui obtained his DPhil degree from the University of Oxford in 1995, and Bachelor of Engineering and Master of Engineering degrees from the University of Science and Technology Beijing in 1982 and 1987, respectively.

**Liu Qingchun** (劉青春), aged 44, was appointed as a non-executive Director on 18 June 2010. He has more than ten years of experience in international trading and business management in the iron and steel industry. He has held a number of senior management positions in China Minmetals Group since 1997. Mr. Liu currently acts as the Business Director of the Ferrous Trading and Logistics Centre of China Minmetals Corporation, a director and the Deputy General Manager of China Minmetals H.K. (Holding) Limited, the managing Director of Cheerglory Traders Ltd., and a director of Beijing Newglory International Ltd. Mr. Liu is also a director of Coppermine, one of our Pre-IPO Investors. He was previously the General Manager of the Coke Division and a supervisor of Minmetals Development Co., Ltd., a company listed on the Shanghai Stock Exchange. Mr. Liu obtained a Master of Business Administration degree from Saint Mary's University in Canada in 1999 and a bachelor's degree in International Economics Law from Shanghai Institute of Foreign Trade in 1989.

**Lu Chuan** (呂川), aged 40, was appointed as a non-executive Director on 18 June 2010. He has extensive experience in business administration, finance and investment. He previously worked in Nonfemet Finance Shenzhen Corporation Ltd. for a number of years and is currently working in Silver Grant, one of our Pre-IPO Investors and a company listed on the Hong Kong Stock Exchange (Stock Code: 171), as Assistant General Manager and is mainly responsible for its operations relating to financial asset investments. He also acted as a non-executive director of China Ground Source Energy Limited (stock code: 8128), a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange from September 2008 to March 2009. Mr. Lu is currently a director of Shenzhen Zhongqingbao Interaction Network Co., Ltd (formerly known as Shenzhen Zqgame Network Co., Ltd, a company listed on the Growth Enterprise Market of the Shenzhen Stock Exchange). Mr. Lu

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graduated from the Wuhan University of Technology with a bachelor's degree in Nautical Mechanical Engineering in 1991 and from Huazhong University of Science and Technology with a master's degree and a doctorate degree both in Management Science and Engineering Studies in 1997 and 2006, respectively.

### **Independent Non-executive Directors**

*James Bedford Downing III* (also known as James Downing), aged 56, joined our Group as an independent non-executive Director on 18 June 2010. Mr. Downing is currently a Senior Advisor to Lansdowne Capital Limited, a London-based independent corporate finance advisory and private investment firm with a focus on basic industries, building materials and distribution sectors. He is also currently the Non-Executive Chairman of Nuada Medical Group Ltd, a UK-based private sector medical services company. From 2001 to 2003, Mr. Downing acted as the Deputy Head of JPMorgan Chase & Co.'s European Investment Banking group and prior to the merger of J.P. Morgan & Co. with Chase Manhattan Bank in 2000 he was Head of European Global Mergers & Acquisitions at Chase Manhattan. From 1994 to 1997, Mr. Downing was Managing Director and Head of the European Strategic Advisory Group of Lehman Brothers. From 1989 to 1994, Mr. Downing was a Managing Director at Wasserstein Perella, a corporate finance advisory firm specialising in merger and acquisition advisory work. In 1982, Mr. Downing joined the New York Office of First Boston Corporation in its investment banking division and transferred to the London Office of First Boston in 1987 as a Vice President where he worked until 1989. From 1976 to 1980, Mr. Downing worked at the New York Office of Manufacturers Hanover Trust Company (which subsequently became part of JPMorgan Chase & Co.). In addition to his banking and finance experience, Mr. Downing is the founder and Chairman of London Youth Rowing, a London-based sports initiative involving thousands of young people in schools and youth clubs in inner city areas of high economic and social deprivation. Mr. Downing obtained a Master of Business Administration degree from the Yale School of Management of Yale University in 1982 and a Bachelor of Science degree from Rensselaer Polytechnic Institute in 1976.

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**Ng Yuk Keung (吳育強)**, aged 45, was appointed as an independent non-executive Director on 18 June 2010. Mr. Ng is currently an executive director and the chief financial officer of a privately-owned pharmaceutical company. Mr. Ng worked with PricewaterhouseCoopers for over 12 years from 1988 to 2001. From 2001-2003, Mr. Ng was the Chief Financial Officer of International School of Beijing, an academic institution in Beijing, China. He subsequently joined Australian Business Lawyers, a law firm in Australia in 2003 and was later appointed as a consultant in 2004 responsible for advising on accounting matters. From 2004 to 2006, he was the deputy chief financial officer, a joint company secretary and the qualified accountant of Irico Group Electronics Company Limited (stock code: 0438), a company listed on the Hong Kong Stock Exchange. From 2006 to 2010, Mr. Ng was a vice-president, the chief financial officer, the company secretary and the qualified accountant of China Huiyuan Juice Group Limited. Mr. Ng graduated from The University of Hong Kong with a bachelor's degree in Social Sciences in 1988 and a master's degree in Global Business Management and E-commerce in 2002. He is a professional accountant and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and a member of the Institute of Chartered Accountants in England and Wales. Set out below are the current appointments in other listed companies on the Hong Kong Stock Exchange which Mr. Ng has undertaken:

<u>Position</u>	<u>Name of the listed company</u>	<u>Stock Code</u>
Honorary adviser	China Huiyuan Juice Group Limited	1886
Independent non-executive director	Sany Heavy Equipment International Holdings Company Limited	631
Independent non-executive director	Xinjiang Xinxin Mining Industry Co., Ltd.	3833
Independent non-executive director	Beijing Capital Land Limited	2868
Independent non-executive director	Zhongsheng Group Holdings Limited	881

**Wang Wenfu (王文福)**, aged 43, was appointed as an independent non-executive Director of our Company on 20 August 2010. Mr. Wang has extensive experience in the mining industry, with international business development, cross-border mergers and acquisitions, business network establishment and international trading expertise. Before Mr. Wang joined our Group as an independent non-executive Director in 2010, he worked for Aluminum Corporation of China Ltd. (“CHALCO”), a company listed on the Hong Kong Stock Exchange, Shanghai Stock Exchange and the New York Stock Exchange since 2004, and was mainly responsible for the development of CHALCO's overseas business, cross border mergers and acquisitions, foreign investment and risk management. He also acted as the President of Chinalco Overseas Holding Ltd., Director and President of Chalco Hong Kong Ltd., Chairman of Chalco Australia Pty. Ltd. and Chief Representative of CHALCO's operations in Vietnam and Indonesia. Mr. Wang graduated from the Department of Linguistics of Kunming University of Science and Technology in 1987. He also obtained a Master of Business Administration degree from Monash University in 1995 and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia in 2002.

**George Jay Hambro**, aged 35, was appointed as an independent non-executive Director of our Company on 20 August 2010. Mr. Hambro has been the Chairman and an executive director of IRC Limited, a subsidiary of Petropavlovsk PLC (a company listed on the London Stock Exchange), since June 2010. Mr. Hambro joined Petropavlovsk PLC (then Peter Hambro Mining PLC), as an executive director and the Director of Business Development in 2002 until his resignation in September 2010. In 2006, he became chief executive of Aricom PLC, where he managed and oversaw the iron ore mining businesses at various stages of exploration, development and production. Following the merger of Aricom PLC with Petropavlovsk PLC in April 2009, he became the Chief Investment Officer of Petropavlovsk plc, retaining responsibility for the Industrial Commodities Business of the Petropavlovsk Group. Mr. Hambro was a manager of the metals and mining corporate finance team within HSBC Investment Bank from 2000 to 2003. He began his career in the Resource Banking

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Division of NM Rothschild & Sons Ltd, working and training in both London and the United States between 1997 and 2000. Mr. Hambro obtained a Bachelor of Arts in Business Management degree from Newcastle University in 1997.

Please refer to the section headed “Statutory and General Information — Further Information about our Directors, Substantial Shareholders, Senior Management and Staff — Disclosure of our Directors’ interests and short positions in the issued shares of our Company and its associated corporations” in Appendix VII to this prospectus for details of the Directors’ interests in the Shares of our Company (within the meaning of Part XV of the SFO), particulars of the Directors’ service agreements and Directors’ remuneration.

Save as disclosed in this prospectus, each of our Directors has confirmed that there are no other matters relating to his appointment as a Director that need to be brought to the attention of the Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### SENIOR MANAGEMENT

**Zhu Qingrang** (朱慶讓), aged 61, is the Executive Vice President who is responsible for the operation and management of our infrastructure, such as the border crossings, coal processing plants, and railway and road transportation of our Group. Mr. Zhu joined our Group in 2007. He is also the legal representative and the Chairman of the board of directors of two of our subsidiaries, Beijing Winsway and Inner Mongolia Haotong, and the legal representative and an executive director of four of our subsidiaries, namely Ejinaqi Haotong, Nantong Haotong, Baotou Mandula and East Wuzhumuqin Qi Haotong. He also acted as the standing deputy general manager of Beijing Winsway, and the general manager of each of Inner Mongolia Haotong, Erlianhot Haotong and Nantong Haotong and as the manager of Ejinaqi Haotong. He previously acted as the Senior Engineer of the Diversified Business Corporation affiliated to the Hohhot Railway Bureau (呼和浩特鐵路局多種經營總公司). Mr. Zhu studied economics management at the Institute of the Party School of the Central Committee of the Chinese Communist Party and graduated in 1995.

**Ma Li** (馬麗), aged 40, is the Vice President who is responsible for the treasury functions and internal administration of our Group. Ms. Ma joined Winsway Group in 1998, where she was mainly responsible for internal administration and treasury functions. She then became an employee of our Group in 2007 upon our establishment. She previously worked at the rare earth research centre of Inner Mongolia Baotou Steel Rare-Earth (Group) Hi-Tech Co., Ltd as an assistant engineer from 1991 to 1995. She graduated from Baotou College of Iron & Steel with a bachelor’s degree in Metallurgy in 1991. Ms. Ma also obtained a Master of Engineering degree in 1998 and a Master of Business Administration degree in 2006 from the University of Science and Technology Beijing.

**Di Jingmin** (邸京敏), aged 38, is a Vice President responsible for legal and compliance matters, human resources and fixed asset management of our Group. Ms. Di joined Winsway Group in 1995, where she was mainly responsible for investment management. She then became an employee of our Group in 2007 upon our establishment. She is also a director of our subsidiary, Inner Mongolia Haotong, and a Vice President of Beijing Winsway. She graduated from Beijing University of Chemical Technology with a bachelor’s degree in management engineering in 1995. Ms. Di also obtained a Master of Laws degree from the Chinese Academy of Social Sciences in 2009.

**Xu Changmao** (徐昌茂), aged 43, is a Vice President responsible for internal control and supervision and internal audit of our Group. Mr. Xu joined Winsway Group in 1994, where he was mainly responsible for supervision and internal audit. He then became an employee of our Group in

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2007 upon our establishment. He also acted as the supervisor of a number of our subsidiaries. Mr. Xu obtained a bachelor's degree in Engineering Management from the School of Management of Jilin University of Technology (now known as Jilin University) in 1987. He graduated as a research student of the Faculty of Industrial Engineering and Management of Beijing University of Chemical Technology in 1990 and obtained a master's degree in economics from the Chinese Academy of Social Sciences in the same year.

*Xie Wenzhao* (謝文釗), aged 36, is the Chief Financial Officer of our Company. He is responsible for our capital markets activities, financial analysis, mergers and acquisitions and investors relationship. Mr. Xie joined our Group in 2010. Mr. Xie started his financial services career in 2000 and joined Bank of China International Holding Limited, Beijing Office, as an associate in the Media Function Group, and subsequently worked for Bear Stearns & Co. Inc. as an analyst from 2001 to 2002, Deutsche Bank AG as an associate from 2006 to 2007, Lehman Brothers Asia Limited as a Portfolio Management Associate in the Principal Investing Division from 2007 to 2008, and Nomura International (Hong Kong) Limited as a Vice President from 2008 to 2009. Mr. Xie is also a director of Peabody-Winsway JV. Mr. Xie received a Bachelor of Science degree in Chemical Engineering from Georgia Institute of Technology in 1996 and a Master of Business Administration from the Stern School of Business at New York University in 2004.

*Wang Yaxu* (王雅旭), aged 38, is the Chief Accountant of our Group. Mr. Wang joined Winsway Group in 1995, where he was mainly responsible for financial management. He then became an employee of our Group in 2007 upon our establishment. He is responsible for the accounting and the financial management of our Group. He is also a director of two of our subsidiaries, Inner Mongolia Haotong and Yingkou Haotong and a supervisor of a subsidiary, Nantong Haotong. He studied industrial management and engineering at and graduated from Beijing University of Chemical Technology in 1995.

### COMPANY SECRETARY

*Cao Xinyi* (曹欣怡), aged 27, is the secretary to our Board. Before joining our Group in 2009, Ms. Cao worked at PricewaterhouseCoopers from 2005 to 2009. She graduated from the City University of Hong Kong with a bachelor's degree in Business Administration in 2005. Ms. Cao is a member of the Hong Kong Institute of Certified Public Accountants.

### Rule 8.17 of the Listing Rules

Pursuant to Rule 8.17 of the Listing Rules, the company secretary must be a person who is ordinarily resident in Hong Kong and who has the requisite knowledge and experience to discharge the functions of secretary of the issuer who (i) is an ordinary member of The Hong Kong Institute of Chartered Secretaries, a solicitor or barrister as defined in the Legal Practitioners Ordinance or a professional accountant or (ii) is an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging those functions.

Our company secretary, Ms. Cao Xinyi, is a member of the Hong Kong Institute of Certified Public Accountants and is a professional accountant for the purposes of Rule 8.17 of the Listing Rules but is not ordinarily resident in Hong Kong. While our Directors acknowledge the importance of having a company secretary who ordinarily resides in Hong Kong, they believe Ms. Cao is a competent and capable candidate to serve as our company secretary on the basis of her academic background, professional qualifications and relevant experience. Our Directors also believe that Ms. Cao has the requisite knowledge and experience to discharge the functions of the company secretary and to satisfy

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the requirement under Rule 8.17(3) of the Listing Rules. Our Directors consider it commercially impracticable to appoint another candidate merely for the purpose of complying with the residency requirement of Rule 8.17 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the residency requirements of company secretary under Rule 8.17 of the Listing Rules, subject to the conditions that, among other things, we maintain the following arrangements to ensure effective communication between our company secretary and the Hong Kong Stock Exchange:

1. Ms. Cao Xinyi, as one of our authorised representatives, will work closely with the other authorised representative of our Company, Yasuhisa Yamamoto, who will reside and be based in Hong Kong and act at all times, together with Ms. Cao Xinyi, as our principal channel of communication with the Hong Kong Stock Exchange. Ms. Cao holds a valid Hong Kong permanent identity card and passport, and will be available to travel to Hong Kong and both authorised representatives will be available to meet with the Hong Kong Stock Exchange within a reasonable time frame upon the request of the Hong Kong Stock Exchange and will be readily contactable by telephone, facsimile and email to deal promptly with inquiries from the Hong Kong Stock Exchange. Each of our authorised representatives, as well as all executive Directors, will be readily contactable by telephone, facsimile and email to deal promptly with inquiries from the Hong Kong Stock Exchange;
2. we have appointed Guotai Junan Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will also act as our Company's alternative communication channel with the Hong Kong Stock Exchange, in addition to our Company's authorised representatives. The contact persons of the compliance adviser will be fully available to answer enquiries from the Hong Kong Stock Exchange. Contact details of the compliance adviser have been provided to the Hong Kong Stock Exchange; and
3. Ms. Cao Xinyi, as one of our authorised representatives, will work closely with our compliance adviser and the external legal counsel of our Company to be appointed after Listing who will be able to explain and advise our company secretary and our Company on the relevant requirements of the Listing Rules as well as other applicable Hong Kong laws and regulations.

### AUDIT COMMITTEE

We have established an audit committee pursuant to a resolution of our Directors passed on 7 September 2010 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules. The audit committee consists of four independent non-executive Directors, namely Ng Yuk Keung, an independent non-executive Director with the appropriate professional qualifications who shall serve as chairman of the committee, George Jay Hambro, Wang Wenfu and James Downing and one non-executive Director, namely Cui Guiyong. The primary duties of the audit committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by our Board.

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### **REMUNERATION COMMITTEE**

We have established a remuneration committee pursuant to a resolution of our Directors passed on 7 September 2010 with written terms of reference in compliance with paragraph B1 of the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules. The remuneration committee consists of one executive Director, namely Apolonius Struijk, who is the chairman of the remuneration committee, and two independent non-executive Directors, namely James Downing and Wang Wenfu. The primary duties of the remuneration committee are to review and formulate policies of remuneration structure for our Directors and senior management and make recommendations on the remuneration package of our Directors and senior management and evaluate and make recommendations on employee benefit arrangements.

### **NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

We have established a nomination and corporate governance committee pursuant to a resolution of our Directors passed on 7 September 2010 with written terms of reference as recommended under the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules. The nomination and corporate governance committee consists of one executive Director, namely Yasuhisa Yamamoto, who is the Chairman of the nomination and corporate governance committee, and two non-executive Directors, namely James Downing and Ng Yuk Keung. The primary function of the nomination and corporate governance committee is to formulate and implement the nomination policy laid down by the Board; to oversee the composition, structure and evaluation of the Board and its committees; and to develop, recommend to the Board and oversee the implementation of corporate governance principles and policies.

### **HEALTH AND SAFETY AND ENVIRONMENTAL COMMITTEE**

We have established a health and safety and environmental committee pursuant to a resolution of our Directors passed on 7 September 2010 with written terms of reference. The health and safety and environmental committee consists of one independent non-executive Director, namely George Jay Hambro, who is the chairman of the health and safety committee, and two executive Directors, namely Yasuhisa Yamamoto and Apolonius Struijk. The primary function of the health and safety and environmental committee is to advise and assist the Board with respect to health, safety and environmental matters.

### **CODE PROVISION A.2.1 OF THE CODE ON CORPORATE GOVERNANCE PRACTICES**

Mr. Wang is our Chairman and Chief Executive Officer. With extensive experience in the coking coal industry, Mr. Wang is responsible for our Group's overall strategic planning and the management of our business. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of our Group. The balance of power and authority is ensured by the operation of the senior management and our Board, which comprises experienced and high-caliber individuals. Our Board currently comprises five executive Directors (including Mr. Wang) and four independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Save as disclosed above, we are in compliance with all code provisions of the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules.

**MANAGEMENT PRESENCE IN HONG KONG**

According to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong, which normally means that at least two of the issuer's executive Directors must be ordinarily resident in Hong Kong. Currently, save for Mr. Yasuhisa Yamamoto, Mr. Liu Qingchun, Mr. Lu Chuan, Mr. Ng Yuk Keung and Mr. Xie Wenzhao, who are an executive Director, a non-executive Director, a non-executive Director, an independent non-executive Director and Chief Financial Officer of the Company respectively, who ordinarily reside in Hong Kong, all of our other executive, non-executive and independent non-executive Directors and members of senior management reside in cities outside Hong Kong. The management and operation of our Group have been under the supervision of Mr. Wang, our Chairman and Chief Executive Officer, for a number of years. Although Mr. Wang has a residential address in Singapore, he normally works in China actively managing the business of our Company. As our Group's core business and operations are substantially based in the PRC, our Group's senior management staff are mainly located in the PRC or Singapore and most of our executive Directors will spend substantial time to manage and conduct our Group's business in the PRC or Singapore. Each of our executive Directors has a vital role in the business and it is necessary for them to remain close to our operations in the PRC and in Singapore. To relocate any of our executive Directors (other than Mr. Yasuhisa Yamamoto who is ordinarily resident in Hong Kong) to Hong Kong will require time to process the application for residency in Hong Kong and the application would be burdensome and costly and may not be approved by the date of our Listing. In light of the fact that our operations are located outside Hong Kong, it would be unduly burdensome, costly and not in the best interests of our Company to appoint two new executive Directors who ordinarily reside in Hong Kong and who have relevant expertise in the PRC coal industry.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the conditions that, among other things, we maintain the following arrangements to maintain effective communication between us and the Hong Kong Stock Exchange:

1. We have, pursuant to Rule 3.05 of the Listing Rules, appointed two authorised representatives, namely Mr. Yasuhisa Yamamoto and Ms. Cao Xinyi, who will act at all times as our principal channel of communication with the Hong Kong Stock Exchange and ensure that they comply with the Listing Rules at all times. Mr. Yamamoto is ordinarily resident in Hong Kong. Ms. Cao holds a valid Hong Kong permanent identity card and both Mr. Yamamoto and Ms. Cao hold valid passports for travelling to Hong Kong. The two authorised representatives will be available to meet with the Hong Kong Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Hong Kong Stock Exchange and will be readily contactable by telephone, facsimile and email to deal promptly with inquiries from the Hong Kong Stock Exchange. Each of the two authorised representatives will be authorised to communicate on behalf of our Company with the Hong Kong Stock Exchange.
2. All authorised representatives have means to contact all Directors (including our independent non-executive Directors) promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess valid travel documents to visit Hong Kong and will be able to meet with the Hong Kong Stock Exchange upon reasonable notice, when required. To enhance the communication between the Hong Kong Stock Exchange, our authorised representatives and our Directors, our Company will implement a policy that (a) each Director will have to provide his/her mobile telephone number, office telephone number, fax number and email address to the

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## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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authorised representatives; (b) in the event that a Director expects to travel, he/she will endeavour to provide the telephone number of the place of his/her accommodation to the authorised representatives or maintain an open line of communication via his/her mobile telephone; and (c) all Directors will provide their mobile telephone numbers, office telephone numbers, fax numbers and email addresses to the Hong Kong Stock Exchange.

3. Our Company has appointed a compliance adviser pursuant to Rule 3A.19 of the Listing Rules, which will have access at all times to our authorised representatives, our Directors and senior management of our Company, and will act as the principal channel of communication between our Company and the Hong Kong Stock Exchange when our authorised representatives are not available.
4. Meetings between the Hong Kong Stock Exchange and our Directors could be arranged through our authorised representatives or the compliance adviser, or directly with our Directors within a reasonable time frame. Our Company will inform the Hong Kong Stock Exchange as soon as practicable in respect of any change in our authorised representatives and/or the compliance adviser.

### COMPLIANCE ADVISER

We have, in compliance with Rule 3A.19 of the Listing Rules, appointed Guotai Junan Capital Limited as our compliance adviser who will assist and advise our Company in connection with the Listing Rules and guidelines. Specifically, pursuant to Rule 3A.23 of the Listing Rules, our compliance adviser will also advise us on the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be considered as a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviated from any forecast, estimate or other information in this prospectus; and
- where the Hong Kong Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of appointment will commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be extended by mutual agreement.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation in the form of fees, salaries, allowances, benefits in kind and/or discretionary bonuses relating to the performance of our Group. We also reimburse our Directors and senior management for expenses which are necessarily and reasonably incurred for providing services to us or discharging their duties in relation to our operations. When reviewing and determining the specific remuneration packages for our executive Directors and senior management, our remuneration committee takes into consideration factors such as salaries paid

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## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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by comparable companies, time commitment and responsibilities of our Directors, employment elsewhere in our Group and desirability of performance-based remuneration.

The aggregate amount of remuneration (including fees, salaries, discretionary bonus, retirement benefit contribution (including pension), housing and other allowances, and other benefits in kind) paid to our Directors for the years ended 31 December 2007, 2008 and 2009 was RMB0.2 million, RMB1.9 million and RMB2.7 million, respectively.

The aggregate amount of fees, salaries, discretionary bonus, defined contribution benefit plans (including pension), housing and other allowances, and other benefits in kind paid to our five highest paid individuals of our Company, including Directors, for the years ended 31 December 2007, 2008 and 2009 was RMB0.9 million, RMB2.2 million and RMB3.5 million, respectively.

We have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of the years ended 31 December 2007, 2008 and 2009. Further, none of our Directors have waived or agreed to waive any remuneration during the same period.

Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended 31 December 2007, 2008 and 2009, by us or any of our subsidiaries to our Directors.

Under the arrangements currently in force, the aggregate amount of remuneration (excluding any discretionary bonus which may be paid) and benefits in kind (including the retirement benefit contribution) payable by us to our Directors for the year ending 31 December 2010 is estimated to be approximately RMB13.9 million.

### EMPLOYEES

As at the Latest Practicable Date, our Group had 1,061 full-time employees. Set out below is a breakdown of the number of our full-time employees by function:

<u>Departments</u>	<u>Number of Employees</u>
Management .....	35
Operations <sup>(1)</sup> .....	574
Technical team and laboratory .....	80
Sales and marketing .....	34
Logistics and transportation .....	58
Construction and project management .....	63
Facilities and resources management <sup>(2)</sup> .....	101
Financial management and accounts .....	81
Internal audit .....	12
Administration .....	23
<b>Total<sup>(3)</sup> .....</b>	<b><u><u>1,061</u></u></b>

Notes:

- (1) Includes staff responsible for (i) coal processing and coal blending work in our coal processing plants, (ii) loading and unloading of raw materials and coal products at our coal processing plants and logistics park, (iii) control of the mechanics of our coal processing plants and (iv) overall operations management.
- (2) Includes employees mainly responsible for the management, control and maintenance of our facilities, plants and other fixed assets.
- (3) Excludes staff under a labour despatch arrangement totalling 466 staff.

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## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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Under a labour despatch arrangement, relevant personnel are legally employed by a labour despatch agent and are despatched to our Group where services are performed pursuant to a labour despatch contract, which is a contract for services, entered into between our Group and the labour despatch agent. Under such arrangement, the employment relationship is established between the personnel and the labour despatch agent. The labour despatch agent, Liren Talent Consultant Co. Ltd., is an Independent Third Party and a company which principally engages in the provision of services in relation to labour despatch, human resource management and consultancy and management training. The labour despatch arrangements are mainly entered into in relation to positions which are of a temporary and labour-intensive nature, such as loaders at storage yard, handymen and cleaners etc. We have accounted for such costs and services provided by the relevant labour despatch staff as part of our staff costs and such costs are payable directly to our labour despatch agent. Such arrangement will not have any adverse effect on our Company's business as these positions generally have a high employment turnover rate and short work cycle. These positions also require a lower level of technical expertise and familiarity with our Group's business. Accordingly, our Group believes that by arranging our staffing through such labour despatch arrangement, we can be more flexible in our staff arrangement and more efficient in our human resources management. Pursuant to relevant regulations of the Labour Contract Law of the People's Republic of China, the labour despatch agent shall be responsible for employee compensation if the relevant staff is injured when providing services to our Company. However, pursuant to the Tort Law of the People's Republic of China, in the event that the injury is caused by the negligent act of our Company, our Company may become liable for compensating the injured staff. Although it is legal obligation of the labour despatch agent to pay the necessary statutory social insurance for the staff despatched to us, we have also purchased additional personal accident insurance for these staff. There has been no claim initiated against us by any staff despatched to us under labour despatch arrangement in the past.

We recruit our personnel from the open market. We offer competitive remuneration packages to our employees, including salaries and bonuses to qualified employees. We provide technical as well as operational training to all new employees and on-going training for all employees. Since our Group was established, we have not experienced any significant turnover of staff nor any disruption to its business operations due to labour disputes. Our Directors consider that our Group has maintained a good relationship with our employees.

During the Track Record Period, we complied, in all material respects, with the relevant PRC labour laws and regulations in all material respects, including contributing to social insurance schemes such as pension and medical schemes, and housing provident fund. In Hong Kong, our Group has participated in a mandatory provident fund scheme for our employees in Hong Kong in accordance with the applicable Hong Kong laws and regulations.