

DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP AND DAYE METAL

DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

The biographical details of the Directors and senior management of the Company immediately following the completion of the Acquisition are set out below:

Directors

Name	Age	Position
Mr. Wan Bi Qi (万必奇)	46	Chairman and Executive Director
Mr. Chen Xiang (陳翔)	42	Chief Executive Officer and Executive Director
Ms. Yuan Ping (袁萍)	42	Executive Director
Mr. Wang Qihong (王岐虹)	59	Independent Non-executive Director
Mr. Wang Guoqi (王國起)	51	Independent Non-executive Director
Mr. Qiu Guanzhou (邱冠周)	62	Independent Non-executive Director

Executive Directors

Mr. Wan Bi Qi (万必奇), aged 46, is the Chairman and an executive Director of the Company. Mr. Wan was appointed as a Director of the Company in April 2009. Mr. Wan is primarily responsible for the overall strategies, planning and business development of the Group. Mr. Wan currently holds directorships in 6 subsidiaries of the Company and was a director of China Times from April 2009 to June 2011. He was previously the general manager of the investment banking division of Fortune Securities Co., Ltd. and of Wanlian Securities Co., Ltd. (萬聯證券有限責任公司) and the deputy general manager of Flying Pace Investment Limited in Hong Kong from 2002 to 2008. Mr. Wan was the assistant to the manager of the Parent Company and the financial controller of Daye Metal from November 2008 to June 2011. Mr. Wan possesses experience in mergers and acquisitions, reorganisation, financing through listing and financing for listed companies. He obtained a bachelor's degree in science (exploration engineering) from Central South University (formerly Central South Industrial University) in 1987, a master's degree in philosophy and a doctorate degree in economics from Wuhan University in 1992 and 1998, respectively. Mr. Wan did not hold any directorship in any other listed public companies in the last three years. Save as disclosed herein, there are no other matters in relation to Mr. Wan which are required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

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Mr. Chen Xiang (陳翔), aged 42, is the Chief Executive Officer and an executive Director of the Company. Mr. Chen was appointed as a Director of the Company in April 2009. Mr. Chen currently holds directorships in 10 subsidiaries of the Company. Mr. Chen is responsible for major investments and fund raisings, mergers and acquisitions, contract management, dispute management as well as providing legal advice with respect to material operating decisions of the Group's senior management. Mr. Chen obtained a qualified PRC lawyer certificate from the Ministry of Justice of the PRC in August 1996 and he obtained a mid-level economist certificate in business administration from the Ministry of Human Resources and Social Security (formerly the Ministry of Personnel) of the PRC in November 2004. Prior to joining the Company, he was a deputy director of the legal department of the Parent Company and secretary to the board of directors of Daye Metal from November 2006 to December 2009. Mr. Chen has experience in corporate management, investment and legal affairs. Mr. Chen obtained a master's degree in law from Wuhan University in 2003. Mr. Chen also obtained a corporation lawyer's licence (公司律師證) from the Ministry of Justice of the PRC in September 2004. Mr. Chen did not hold any directorship in any other listed public companies in the last three years. Save as disclosed herein, there are no other matters in relation to Mr. Chen which are required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

Ms. Yuan Ping (袁萍), aged 42, is an executive Director of the Company. Ms. Yuan was appointed as a Director of the Company in April 2009. Ms. Yuan currently holds directorships in 7 subsidiaries of the Company. Ms. Yuan is responsible for the general corporate and accounting affairs of the Group. Prior to joining the Company, Ms. Yuan was the chief financial officer of Changzhou Dajiang Copper Industry Co., Ltd. (常州市大江銅業有限公司), a subsidiary of the Parent Company, from 2006 to 2008, and deputy officer of the finance department of the Parent Company from January 2009 to May 2009. Ms. Yuan has 21 years of experience in financial management and investment. Ms. Yuan graduated in accounting from Zhongnan University of Economics and Law in 2004. Ms. Yuan obtained a qualified accountant certificate from the Ministry of Finance of the PRC in May 1997. She did not hold any directorship in any other listed public companies in the last three years. Save as disclosed herein, there are no other matters in relation to Ms. Yuan which are required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

Independent Non-executive Directors

Mr. Wang Qihong (王岐虹), aged 59, is an independent non-executive Director of the Company. Mr. Wang was appointed as a Director of the Company in January 2006. Mr. Wang is experienced in the postal and tele-communications field in the PRC. Prior to joining the Company, Mr. Wang was a deputy manager of Town Khan Limited (同強有限公司) from 1992 to 2001. Mr. Wang graduated in foreign language from Liaoning University in the PRC in 1976. He did not hold any directorship in any listed public companies in the last three years. Save as disclosed herein, there are no other matters in relation to Mr. Wang which are required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

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Mr. Wang Guoqi (王國起), aged 51, is an independent non-executive Director of the Company. Mr. Wang was appointed as a Director of the Company in January 2006. Mr. Wang qualified as a certified accountant in the PRC accredited by the Ministry of Finance of the PRC in June 1997. Mr. Wang has extensive experience in accounting and finance in different industries. Currently, he is the managing partner of Hua-Ander Certified Public Accountants in the PRC. Mr. Wang obtained a bachelor's degree in financial accounting and a master's degree in economics from Renmin University of China in 1982 and 1985, respectively, and a doctorate degree in philosophy from the University of London in the United Kingdom in 1994. He did not hold any directorship in any listed public companies in the last three years. Save as disclosed herein, there are no other matters in relation to Mr. Wang which are required to be disclosed pursuant to Rule 13.51 (2) of the Listing Rules.

Mr. Qiu Guanzhou (邱冠周), aged 62, is an independent non-executive Director of the Company. Mr. Qiu was appointed as a Director of the Company in May 2009. Mr. Qiu has gained extensive and practical experience during his term of service as an officer responsible for administration and technology on the front line of a copper smelting enterprise. Mr. Qiu has been focusing on the teaching of and scientific research on mining engineering in Central South University since 1987. Since 1990, he has acted as head of the Department of Mining Engineering and vice-president of Central South University. Mr. Qiu is a renowned expert, professor and supervisor of doctorate students in the field of mining engineering in China. He obtained his master's and doctorate degree of engineering from Central South University in 1982 and 1987, respectively. Mr. Qiu did not hold any directorship in any listed public companies in the last three years. Save as disclosed herein, there are no other matters in relation to Mr. Qiu which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Senior Management

Name	Age	Position
Mr. Chen Xiang (陳翔)	42	Chief Executive Officer and Executive Director
Mr. Wang Da Zhao (王大釗)	41	Vice President

Mr. Chen Xiang (陳翔), Chief Executive Officer of the Company. Please refer to the subsection headed "Directors and senior management of the Group – Executive Directors" in this section for details.

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Mr. Wang Da Zhao (王大釗), aged 41, is the vice president of the Company. Mr. Wang joined the Company in October 2010. Mr. Wang is responsible for business development. Mr. Wang has experience in the finance industry in the PRC. Prior to joining the Company, Mr. Wang was the chief investment officer of an investment consulting firm and he has also served various positions at other companies and securities firms in the PRC. Mr. Wang graduated in international finance from Tianjin University of Finance and Economics in 1993, and obtained a master's degree in investment management from the Graduate School of Chinese Academy of Social Sciences in 1998. Mr. Wang did not hold any directorship in any other listed public companies in the past three years.

Company Secretary

Chan Yim Kum (陳艷琴), aged 47, is the company secretary of the Company. Ms. Chan joined the Company in December 2008. Ms. Chan is responsible for general corporate governance affairs and related administration of the Company. Save as disclosed, Ms. Chan is the executive director of Seamless Green China (Holdings) Limited. Ms. Chan obtained a bachelor's degree in business studies from University of Huddersfield in the United Kingdom in 1994, and a master's degree in professional accounting from Hong Kong Polytechnic University in 2001. Ms. Chan was admitted as an associate of the Taxation Institute of Hong Kong, The Institute of Chartered Secretaries and Administration of the United Kingdom and The Hong Kong Institute of Company Secretaries in June 2000, May 2000 and May 2000, respectively. Save as disclosed herein, Ms. Chan did not hold any directorship in any other listed public companies in the past three years.

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The biographical details of the directors and senior management of Daye Metal as at the Latest Practicable Date are set out below:

Directors

Name	Age	Position
Mr. Zhang Lin (張麟)	48	Chairman and director
Mr. Zhai Baojin (翟保金)	44	director and general manager
Mr. Wen Sen (溫森)	45	director
Mr. Yu Lixian (余利先)	44	director
Mr. Wang Yong (王勇)	50	director
Mr. Tan Yaoyu (譚耀宇)	38	director
Mr. Li Shuju (李書舉)	49	director
Mr. Wu Lijie (吳禮傑)	46	director
Mr. Zhong Jin (鍾錦)	50	director
Mr. Zhang Zhongyao (張中堯)	48	director

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Mr. Zhang Lin (張麟), aged 48, is the chairman and a director of Daye Metal. Mr. Zhang was appointed as a director of Daye Metal in March 2005. Mr. Zhang joined Daye Metal in 2005, and since then, had served as the deputy manager, the general manager and a director of Daye Metal. Mr. Zhang was the deputy manager and the manager of the Parent Company from 1998 to 2010. He is currently the chairman of the Parent Company. Mr. Zhang has over 25 years of experience in the mining industry. Mr. Zhang obtained a bachelor's degree in mineral engineering from Central South University in 1986 and a doctorate degree in mineral processing engineering from Central South University in 2008. Mr. Zhang was accredited as a senior engineer in mining processing by the Employees Reform Office of Hubei Province in April 2004. Mr. Zhang did not hold any directorship in any other listed public companies in the past three years.

Mr. Zhai Baojin (翟保金), aged 44, is a director and the general manager of Daye Metal. Mr. Zhai was appointed as a director of Daye Metal in September 2006. Mr. Zhai joined Daye Metal in April 2005 and since then, had served as the factory head of the Smelting Plant, the deputy general manager in general affairs and the deputy general manager of Daye Metal. Mr. Zhai was the technician, factory head and the deputy manager of the Parent Company from 1986 to 2010. Mr. Zhai is currently the deputy manager and a director of the Parent Company. Mr. Zhai has over 25 years of experience in the mining industry. Mr. Zhai is a graduate in economics and management from the Party School of Hubei Province of 2007. Mr. Zhai was accredited as a senior engineer in metallurgy by the Employees Reform Office of Hubei Province in June 2006. Mr. Zhai did not hold any directorship in any other listed public companies in the past three years.

Mr. Wen Sen (溫森), aged 45, is a director of Daye Metal. Mr. Wen was appointed as a director of Daye Metal in September 2006. Mr. Wen joined Daye Metal in 2005 and since then, had served as the secretary of the Communist Party Committee, the chairman of the labour union and the secretary of the discipline committee of Daye Metal. Mr. Wen was the secretary of the discipline committee and the chairman of the labour union of the Parent Company from 1984 to 2010. Mr. Wen is currently the secretary of the discipline committee of the Parent Company. Mr. Wen has over 27 years of experience in the mining industry. Mr. Wen is a graduate in economics and management from the Party School of Hubei Province in 2009. Mr. Wen did not hold any directorship in any other listed public companies in the past three years.

Mr. Yu Lixian (余利先), aged 44, is a director of Daye Metal. Mr. Yu was appointed as a director of Daye Metal in September 2006. Mr. Yu joined Daye Metal in 2005 and since then, had served as the deputy mining manager and the mining manager of the Tonglvshan Mine. He was the deputy manager and a member of the Standing Committee of the Parent Company from 2006 to 2010, and has been the general counsel, a member of the Standing Committee and deputy general manager of the Parent Company since June 2010. Mr. Yu has over 21 years of experience in the mining industry. Mr. Yu is a graduate in law from the Party School of Hubei Province in 2004. Mr. Yu was accredited as a senior engineer in mining by Employees Reform Office of Hubei Province in 2005. Mr. Yu did not hold any directorship in any other listed public companies in the past three years.

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Mr. Wang Yong (王勇), aged 50, is a director of Daye Metal. Mr. Wang was appointed as a director of Daye Metal in September 2006. Mr. Wang joined Daye Metal in 2005 and had since served as the president of the research and development centre and the deputy manager of the technology centre of Daye Metal. Mr. Wang was the deputy manager of the Parent Company from 2006 to 2010, and is now the deputy general manager of the Parent Company. Mr. Wang has been a member of the Standing Committee of the Parent Company since 2006. Mr. Wang has over 28 years of experience in the mining industry. Mr. Wang obtained a doctorate degree in engineering (non-ferrous metallurgy) from Central South University in 2009. Mr. Wang was accredited as a senior engineer in mining processing by the Employees Reform Office of Hubei Province in April 2006. Mr. Wang did not hold any directorship in any other listed public companies in the past three years.

Mr. Tan Yaoyu (譚耀宇), aged 38, is a director of Daye Metal. Mr. Tan was appointed as a director of Daye Metal in September 2011. Mr. Tan joined Daye Metal in December 2008 and served as its financial director until October 2009. He is currently the chief accountant and a member of the Standing Committee of the Parent Company. Prior to joining Daye Metal, Mr. Tan was the deputy financial director and the cost controller of the Parent Company from 1998 to 2008. Mr. Tan has over 19 years of experience in the mining industry. Mr. Tan is a graduate in economics and management from the Party School of Hubei Province of 2007. Mr. Tan was accredited as a senior accountant by the Employees Reform Office of Hubei Province in December 2010. Mr. Tan did not hold any directorship in any other listed public companies in the past three years.

Mr. Li Shuju (李書舉), aged 49, is a director of Daye Metal. Mr. Li was appointed as a director of Daye Metal in September 2011. Mr. Li previously served as the office manager, assistant to the general manager, deputy general manager and vice-chairman of Jinshi Gold, a subsidiary of the Parent Company. He is currently the chairman of Jinshi Gold. He has also been the deputy general manager of the Parent Company since June 2010. Mr. Li has over 24 years of experience in the mining industry. Mr. Li is a graduate in economics and management from the Party School of Hubei Province of 2001. Mr. Li did not hold any directorship in any other listed public companies in the past three years.

Mr. Wu Lijie (吳禮傑), aged 46, is a director of Daye Metal. Mr. Wu was appointed as a director of Daye Metal in September 2011. Mr. Wu joined Daye Metal in 2005 and since then, had served as the deputy secretary of the discipline committee and the chairman of the labour union of Daye Metal. He also previously served as a technician, manager and deputy mining head of the Tonglvshan Mine, the secretary of the mining committee, the deputy secretary of the discipline committee, the manager of the monitoring and audit department and the assistant to the manager of the Parent Company. He has been the chairman of the labour union, a director and also a member of the Standing Committee of the Parent Company since 2010. Mr. Wu has over 24 years of experience in the mining industry. Mr. Wu obtained a master's degree in business administration from Huazhong University of Science and Technology (華中科技大學) in 2002. Mr. Wu did not hold any directorship in any other listed public companies in the past three years.

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Mr. Zhong Jin (鍾錦), aged 50, is a director of Daye Metal. Mr. Zhong was appointed as a director of Daye Metal in August 2011. Prior to joining Daye Metal, Mr. Zhong worked in the China Construction Bank as a loan officer, deputy branch head, branch head, deputy manager of international business and the head of the market research and product development department of its Sichuan branch from 1985 to 2002. Mr. Zhong was also previously the deputy head of the Guiyang branch of Cinda. Mr. Zhong has over 25 years of experience in the banking industry. Mr. Zhong obtained a doctorate degree in finance from the Southwestern University of Finance and Economics in 2006. Mr. Zhong did not hold any directorship in any other listed public companies in the past three years.

Mr. Zhang Zhongyao (張中堯), aged 48, is a director of Daye Metal. Mr. Zhang was appointed as a director of Daye Metal in April 2008. Prior to joining Daye metal, Mr. Zhang previously served as the office manager, assistant to the senior manager and the senior manager of the Wuhan branch of Huarong and is currently the chief risk management executive of the Wuhan branch of Huarong. Mr. Zhang has over 26 years of experience in the finance industry. Mr. Zhang obtained a bachelor's degree in planning and statistics (economics) from Zhongnan University of Economics and Law in 1985. Mr. Zhang was accredited as a senior statistician by the Bureau of Human Resources of the Hubei Province in August 1999. Mr. Zhang did not hold any directorship in any other listed public companies in the past three years.

Senior Management

Name	Age	Position
Mr. Zhai Baojin (翟保金)	44	director and general manager
Mr. Wang Gen (王根)	54	deputy general manager
Mr. Liao Quanjia (廖全佳)	45	deputy general manager
Mr. Liu Chuanzhan (劉傳轉)	61	chief engineer
Mr. Chen Zhiyou (陳志友)	47	deputy general manager
Mr. Feng Mingrui (封明瑞)	44	deputy general manager

Mr. Zhai Baojin (翟保金), general manager of Daye Metal. Please refer to the sub-section headed "Directors and senior management of Daye Metal – Directors" in this section for details.

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Mr. Wang Gen (王根), aged 54, is the deputy general manager of Daye Metal. Mr. Wang joined Daye Metal in April 2005. He was the assistant to the general manager of Daye Metal from April 2005 to September 2006, and has since 2006 served as the deputy general manager of Daye Metal. Mr. Wang was the assistant to the manager, the deputy mining head, the mining head, the chief engineer and the technician of the Parent Company from 1982 to 2010. Mr. Wang has over 29 years of experience in the mining industry. Mr. Wang is a graduate in mining from the Wuhan University of Science and Technology (武漢科技大學) (formerly Wuhan Institute of Metallurgy) in 1982. Mr. Wang was accredited as senior engineer in mining by the Employees Reform Office of State Bureau of Nonferrous Metal Industry (國家有色金屬工業局職改辦) in October 2002. Mr. Wang did not hold any directorship in any other listed public companies in the past three years.

Mr. Liao Quanjia (廖全佳), aged 45, is the deputy general manager of Daye Metal. Mr. Liao joined Daye Metal in September 2008. Mr. Liao was the chairman of Daye Industry from September 2008 to January 2010, and the deputy chief engineer and a member of the Standing Committee of the Parent Company and mining head of the Tonglvshan Mine from July 2008 to January 2010. Prior to joining Daye Metal, Mr. Liao was the deputy department head of the mining production department of the Hubei Department of Land and Resources and the deputy department head of the Huangshi Department of Land and Resources from 2001 to 2008. Mr. Liao has over 23 years of experience in the mining industry. Mr. Liao obtained a bachelor's degree in mining engineering from Central South University in 1988. Mr. Liao did not hold any directorship in any other listed public companies in the past three years.

Mr. Liu Chuanzhuan (劉傳轉), aged 61, is the chief engineer of Daye Metal. Mr. Liu joined Daye Metal in April 2005 and previously served as the assistant to the general manager and the deputy general manager of Daye Metal. Prior to joining Daye Metal, Mr. Liu was an assistant to the manager of the Parent Company from 2003 to 2010. Mr. Liu has over 40 years of experience in the mining industry. Mr. Liu is a graduate in non-ferrous metal smelting from Central South University in 1976. Mr. Liu was accredited as a senior engineer in smelting by the Employees Reform Office of Hubei Province in June 2006. Mr. Liu did not hold any directorship in any other listed public companies in the past three years.

Mr. Chen Zhiyou (陳志友), aged 47, is the deputy general manager of Daye Metal. Mr. Chen joined Daye Metal in April 2005. Mr. Chen has been the factory head of the Precious Metal Plant since January 2008. Prior to joining Daye Metal, Mr. Chen was the deputy factory head, the technician, the engineer and the section head of the smelting factory and also the factory head of the Precious Metal Plant of the Parent Company. Mr. Chen has over 27 years of experience in the mining industry. Mr. Chen is a graduate in corporate management from Wuhan Institute of Technology (formerly Wuhan Institute of Chemical Technology) in 1995. Mr. Chen was accredited as an engineer in smelting by the Employees Reform Office of the Parent Company in October 2002. Mr. Chen did not hold any directorship in any other listed public companies in the past three years.

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Mr. Feng Mingrui (封明瑞), aged 44, is the deputy general manager of Daye Metal. Mr. Feng joined Daye Metal in May 2011. Mr. Feng was the trading representative and senior sales manager of Traf Trading (Shanghai) Co., Ltd. from May 2003 to May 2011. Mr. Feng was the technician, sales representative and head of the sales and import and export division of the smelting factory of the Parent Company from 1990 to 2003. Mr. Feng has over 13 years of experience in the mining industry. Mr. Feng obtained a bachelor's degree in chemistry from Central South University in 1990. Mr. Feng was accredited as a senior economist accredited by the Employees Reform Office of the Parent Company in October 2002. Mr. Feng did not hold any directorship in any other listed public companies in the past three years.

REMUNERATION OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

For the two years ended 30 April 2008 and 2009, the eight months ended 31 December 2009, the year ended 31 December 2010 and the six months ended 30 June 2011, the aggregate amount of remuneration (including fees, basic salaries, contributions to pension schemes, housing allowances and other allowances, benefits in kind and discretionary bonuses) which were paid to the Directors by the Group was approximately HK\$3,286,000, HK\$1,993,000, HK\$35,743,000, HK\$4,196,000 and HK\$2,064,000, respectively. Details of the Directors' remuneration are also set out in notes 10, 11, 11 and 10 of the financial statements of the Group for the year ended 30 April 2009, the eight months ended 31 December 2009, the year ended 31 December 2010 and the six months ended 30 June 2011, respectively, as set out in Appendix II to this circular.

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid to the five highest paid individuals for the two years ended 30 April 2008 and 2009, the eight months ended 31 December 2009, the year ended 31 December 2010 and the six months ended 30 June 2011 was approximately HK\$3,819,000, HK\$3,454,000, HK\$38,927,000, HK\$5,200,000 and HK\$2,909,000, respectively.

Under the arrangements currently in force, the estimated aggregate remuneration (including fees, basic salaries, contributions to pension schemes, housing allowances and other allowances, benefits in kind and discretionary bonuses) payable to the Directors by the Group will be approximately HK\$4,468,204 for the year ending 31 December 2011.

NON-COMPETITION

Each of the Directors has confirmed that he or she is not engaged in, or interested in any business which, directly or indirectly, competes or may compete with the business of the Enlarged Group.

AUDIT COMMITTEE OF THE COMPANY

The Company established an audit committee in 2002 in accordance with Rule 3.21 of the Listing Rules and adopted written terms of reference which conformed to those set out in paragraph C3 of the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules.

The audit committee is responsible for reviewing and supervising the financial reporting process and internal control system of the Group and providing advice and comments to the Board. At present, the audit committee consists of 3 members, being Messrs. Wang Guoqi, Wang Qihong and Qiu Guanzhou, of which Mr. Wang Guoqi is the chairman.

REMUNERATION COMMITTEE OF THE COMPANY

The Company established a remuneration committee in 2007 and adopted written terms of reference which conformed to those set out in paragraph B1 of the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules.

The remuneration committee is responsible for making recommendations to the Board on, among other things, the policy and structure for the remuneration of the Directors and senior management of the Company and has been delegated with the responsibility to determine on behalf of the Board the specific remuneration packages for all executive Directors and senior management of the Company. At present, the remuneration committee consists of 3 members, being Messrs. Wang Guoqi, Wang Qihong and Qiu Guanzhou, of which Mr. Wang Guoqi is the chairman. Under the remuneration committee's terms of reference, no director or any of his associates (as defined in the Listing Rules) shall be involved in deciding his own remuneration.

COMPLIANCE ADVISER OF THE COMPANY

The Company has appointed Somerley Limited as the compliance adviser in compliance with Rule 3A.19 of the Listing Rules. The Company has entered into a compliance adviser's agreement with Somerley Limited, the material terms of which are summarized as follows:

- (1) the Company has appointed Somerley Limited as the compliance adviser for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on the date of completion of the Acquisition and ending on the date on which the Company sends its financial results as required under Rule 13.46 of the Listing Rules for the first full financial year commencing after the date of completion of the Acquisition, or until the agreement is terminated, whichever is earlier;

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- (2) Somerley Limited shall provide the Company with services, including guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, rules, codes and guidelines;
- (3) the Company shall consult with and, if necessary, seek advice from Somerley Limited on a timely basis in the following circumstances pursuant to Rule 3A.23 of the Listing Rules:
 - before the publication of any regulatory announcement, circular or financial report;
 - where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchase;
 - where business activities, developments or results of the Enlarged Group deviate from any forecast, estimate, or other information in this circular; and
 - where the Stock Exchange makes an inquiry of the Company under Rule 13.10 of the Listing Rules; and
- (4) the Company may terminate the appointment of Somerley Limited as the compliance adviser only if its work is of an unacceptable standard or if there is a material dispute (which cannot be resolved within 30 days) over fees payable to it as permitted by Rule 3A.26 of the Listing Rules. Somerley Limited will have the right to resign or terminate its appointment by service of a two months' notice to the Company.

The appointment will commence on the date of completion of the Acquisition and will end, subject to termination in accordance with the terms of the compliance adviser's agreement on the day on which the Company sends its financial results as required under Rule 13.46 of the Listing Rules for the first full financial year commencing after the date of completion of the Acquisition.

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EMPLOYEES OF THE GROUP

Overview

As at the Latest Practicable Date, the Group had a total of 85 full-time employees. The Group has not experienced any labour disputes with its employees which resulted in any material disruption to its operations.

A breakdown of the Group's full-time employees as at the Latest Practicable Date by function is set out below:

Function	Number of employees
Administration	20
Investment and development	3
Finance	6
Human resources	3
Mineral resources development and management	16
Production management	18
Safety and environmental protection	3
Technical engineering	15
Performance management	1
Total	85

A breakdown of the Group's full-time employees as at the Latest Practicable Date by location is set out below:

Location	Number of employees
PRC	44
Hong Kong	8
Mongolia	33
Total	85

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The staff costs incurred by the Group for the two years ended 30 April 2008 and 2009, the eight months ended 31 December 2009, the year ended 31 December 2010 and the six months ended 30 June 2011 were HK\$4,364,000, HK\$5,891,000, HK\$41,898,000, HK\$9,983,000 and HK\$5,110,000 respectively.

The Group's contributions to the defined contribution retirement scheme set up pursuant to the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees are expensed as incurred. The Group's employer contributions vest fully with the employees when contributed into such defined contribution retirement scheme.

The Company's PRC and Mongolia subsidiaries participate in defined contribution retirement schemes organized by the local government authorities. All of the employees are entitled to an annual pension equivalent to a fixed portion of their basic salaries at their retirement dates. The Company's PRC and Mongolia subsidiaries are required to contribute certain percentage ranged from 11% to 15% of the basic salaries of their employees to the retirement schemes and have no further obligation for post-retirement benefits. The contributions are charged to the profits and loss of the Group as they become payable in accordance with the rules of schemes.

Staff benefits

The Company makes contributions to all mandatory social security funds including pension funds, medical insurance funds, unemployment insurance funds and work-related injury funds for the employees. These contributions, which are funded from the internal financial resources of the Company, are in compliance with the requirements of the PRC laws and regulations. In addition, the Company has enrolled on a mandatory fund scheme for the employees in Hong Kong in accordance with the applicable Hong Kong laws and regulations.

Share Option Scheme

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company on 13 October 2003. A summary of the principal terms of the Share Option Scheme is set out under the sub-section headed "Share Option Scheme" in Appendix X to this circular.