

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

NWS and VMS became our Controlling Shareholders as a result of their acquiring interests in Perfect Move and Faithful Boom and the Reorganization.

As at the Latest Practicable Date, NWS, through its indirect wholly-owned subsidiaries, held all the interest in Faithful Boom, which holds 60% of our Shares. VMS holds all the voting rights as well as approximately 89.1% of the non-voting participating shares in Fast Fortune, which holds 40% of our Shares.

VMS is expected to sell an aggregate of 200,000,000 Shares in the Global Offering, representing 5% of the total issued share capital of our Company following completion of the Global Offering and the Capitalization Issue, assuming the options which have been granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme are not exercised. Immediately after completion of the Global Offering and the Capitalization Issue and assuming that the options which have been granted under the Pre-IPO Share Option Scheme and the options which may be granted under the Share Option Scheme are not exercised, NWS through Faithful Boom will hold 48% of the then issued share capital of our Company and VMS through Fast Fortune will hold 27% (assuming that the Over-allotment Option is not exercised) or 23.25% (assuming that the Over-allotment Option is exercised in full) of the then issued share capital of our Company.

BACKGROUND OF NWS

NWS is a Hong Kong listed company. It is the infrastructure and service flagship of New World Development, which is one of the leading Hong Kong-based conglomerates and also one of the first batch of Hong Kong enterprises to make large-scale investments in the PRC.

NWS has been listed on the Stock Exchange since 1997 and has a market capitalization of approximately HK\$35 billion as of the Latest Practicable Date. In addition to being a major service provider in Hong Kong in areas such as construction, public transport, duty free retailing and management of the Hong Kong Convention and Exhibition Centre, NWS is committed to infrastructure development in the PRC. Its diversified business portfolio in the PRC includes more than 60 projects in the high growth sectors of roads, water, energy, ports and logistics. Two of these projects are located in Hebei Province with some 10 years' standing.

NWS will hold its interest in the Company as a long-term investment and intends to develop the resources sector as one of NWS's core businesses in the future.

BACKGROUND OF VMS

VMS was incorporated in June 2006 as the holding company of an investment group with businesses now covering proprietary investments, asset management, securities brokerage and corporate finance advisory services and which is licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined in the SFO. VMS makes and/or advises on investments in private equity, pre-IPO investments, private investments in public equity (PIPEs), special situation investments including distressed assets, acquisitions of controlling equities, collateralized loans, bonds, risk arbitrage and stocks. Ms. Mak Siu Hang, Viola is the founder of VMS. Ms. Mak Siu Hang, Viola has more than 30 years of experience in various industry sectors which include securities trading and investment, real estate, garment manufacturing and retail business in Hong Kong and China. She founded VMS in June 2006 with an original aim to manage the assets of her family. As of the Latest Practicable Date, Ms. Mak Siu Hang, Viola held a 100% direct interest in VMS and was the sole director of VMS. VMS has a diversified portfolio of investments in listed and unlisted entities in metals, oil, renewable energies, real estate properties, chemicals, media and logistics. As of the Latest Practicable Date, VMS had more than 10 investment projects under management with assets under active management and advisory exceeding US\$1 billion, including

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proprietary investments and third party assets under management. The management team of VMS has extensive investment and management experience, and includes mining experts, private equity managers, corporate governance specialists and senior equity analysts. As of 31 May 2011, VMS employed more than 20 staff under its group of companies, including qualified accountants, chartered financial analysts and SFC license holders with more than 10 years of professional experience.

Fast Fortune is a special purpose vehicle held by VMS for its proprietary investments in the Company. VMS holds all the voting rights as well as approximately 89.1% of the non-voting participating shares in Fast Fortune. Mr. Lam Yee Ming through Southern Pacific Limited, holds approximately 7.3% of the non-voting participating shares in Fast Fortune and the remaining 3.6% of the non-voting participating shares in Fast Fortune are held by Mr. Chan Ting Lai. Both Mr. Lam Yee Ming and Mr. Chan Ting Lai are Independent Third Parties. Mr. Chan Ting Lai is the owner and director of a number of companies engaging in property investment and trading of interior decorative products and construction materials. He has over 10 years of experience in securities investment. Mr. Lam Yee Ming is the owner and director of a number of companies engaging in property investments. He has over 20 years of experience in investment in property and securities in Hong Kong.

While VMS intends to remain as a substantial shareholder of our Company in the foreseeable future, the gross proceeds to be received by Fast Fortune from selling the Sale Shares in the Global Offering of approximately HK\$410 million (assuming an Offer Price of HK\$2.05 per Share, being the mid-point of the indicative Offer Price range) and additional gross proceeds received as a result of the exercise of the Over-allotment Option of up to approximately HK\$307.5 million (assuming an Offer Price of HK\$2.05 per Share, being the mid-point of the indicative Offer Price range) will be used to meet Fast Fortune's internal funding needs and to reduce the financial burden incurred in financing the acquisition of interest in Faithful Boom from Aleman and Standlink and interest in Perfect Move from Chen SPV and Liu SPV, details of which are described in the section headed "History, Reorganization and Corporate Structure" in this Prospectus. VMS believes that selling a portion of Fast Fortune's interest in the Company to provide liquidity to Fast Fortune for loan repayment and to provide a return on its investment is reasonable in light of the terms of sale available to it in the Global Offering. In March 2011, Fast Fortune (as borrower) and VMS (as guarantor) entered into a loan arrangement with Independent Third Parties. In connection with this loan arrangement, the purpose of which was to provide financing for VMS, share certificates in respect of not less than 55.02% of the issued share capital of Fast Fortune have been placed in escrow. Under the terms of the loan arrangement, the lenders do not have any specified right to seize or dispose of the shares of Fast Fortune. The Fast Fortune shares in escrow are held for safe keeping only and do not create any security or other rights over Fast Fortune's or the Company's shares. The agreement provides for the release of the escrow arrangement when no sum is outstanding under the loan agreement, among other circumstances. After completion of the Global Offering, VMS through Fast Fortune will be subject to the Controlling Shareholders' lock-ups. See "Underwriting — Undertakings — Undertakings to the Stock Exchange pursuant to the Listing Rules".

INTERESTS IN MINING COMPANIES RETAINED BY OUR CONTROLLING SHAREHOLDERS

NWS

As of the Latest Practicable Date, NWS held an approximately 35% of attributable interest in a coal distribution company (the "Fuel Company") located in the Nansha Economic Development Zone of Guangzhou, China. The Fuel Company commenced operation in January 2008 and is principally engaged in the wholesaling, assembling and storage of coal with an annual capacity of seven million tonnes.

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VMS

As of the Latest Practicable Date, VMS held less than 5% of the issued share capital of several mining companies listed on the Main Board and Growth Enterprise Market of the Stock Exchange. To the best of VMS's knowledge and information, these mining companies are principally engaged in the mining operation of coal, gold, marble stone and/or copper. Other than the interest in those mining companies held through VMS, Ms. Mak Siu Hang, Viola does not have any direct or indirect interest in any other mining companies.

Since the aforesaid companies are not primarily engaged in the exploration or extraction of iron ore, there is currently no competition between these companies and our Group. Our Controlling Shareholders do not intend to inject part or all of their interests in the companies into the Group in the future.

INDEPENDENCE OF MANAGEMENT, FINANCING AND OPERATION

Having considered the following factors, our Directors are satisfied that the Group will be able to be operationally and financially independent of our Controlling Shareholders and their associates:

Non-competition — None of our Controlling Shareholders or our Directors has any interest in a business which competes or is likely to compete, either directly or indirectly, with the Group's business.

Management independence — Our Board is comprised of six executive Directors, three non-executive Directors and three independent non-executive Directors.

The following table sets forth details of the directorships of our Company and NWS:

	Our Company	NWS
Executive Directors	Mr. Yao Zanzun (<i>vice-chairman</i>) Ms. Yu Shuxian Mr. Li Yuelin Mr. Jing Zhiqing Mr. Lin Zeshun Mr. Liu Yongxin	Dr. Cheng Kar Shun, Henry (<i>chairman</i>) Mr. Tsang Yam Pui Mr. Lam Wai Hon, Patrick Mr. Cheung Chin Cheung Mr. William Junior Guilherme Doo Mr. Cheng Chi Ming, Brian
Non-executive Directors	Mr. Tsang Yam Pui (<i>chairman</i>) Mr. Lam Wai Hon, Patrick (<i>vice-chairman</i> and alternate Director to Mr. Tsang Yam Pui) Mr. Cheng Chi Ming, Brian	Mr. Doo Wai Hoi, William (<i>deputy chairman</i>) Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David) Mr. To Hin Tsun, Gerald Mr. Dominic Lai
Independent Non-executive Directors	Mr. Tsui King Fai Mr. Lee Kwan Hung Mr. Wu Wai Leung, Danny	Mr. Kwong Che Keung, Gordon Dr. Cheng Wai Chee, Christopher The Honourable Shek Lai Him, Abraham

Our Company will have three common directors with NWS: Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick and Mr. Cheng Chi Ming, Brian. Despite the common directorship described above, our Company believes that independence between our Company and NWS will be maintained as Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick and Mr. Cheng Chi Ming, Brian only act as non-executive Directors and will be mainly responsible for overseeing the overall strategy and major management decisions of the Group. Each Director is aware of his/her fiduciary duties as a director of the Company which requires, among

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other things, that he/she acts for the benefit and in the best interests of the Company and does not allow any conflict between his/her duties as a Director and his/her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Company and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of the Company in respect of such transactions. Our Company believes that our three common directors with NWS will commit and devote sufficient time to our Group and provide leadership to the overall development of the Group.

Financial independence — Our Group has an independent financial system and makes financial decisions according to its own business needs. As of 31 December 2010, approximately RMB336.0 million was owed by the Group to Faithful Boom. We are capable of obtaining financing from third parties or from our internally generated funds without reliance on our Controlling Shareholders. For example, in February 2011, we entered into two loan agreements, as set forth under “Financial Information – Indebtedness – Bank and Other Borrowings”. Although these loan agreements currently provide for a guarantee by NWS, that guarantee in one case terminates upon our successful Listing and in the other case can be replaced with a letter of comfort from NWS. We drew down fully on these loans in March and April of 2011 and used the proceeds to repay a portion of the then outstanding shareholders’ loans. As a result of these repayments, as of the Indebtedness Date, the amount due to Faithful Boom was reduced to RMB266.2 million (equivalent to US\$41.0 million).

On 17 June 2011, we received an offer letter from Chong Hing Bank for an additional banking facility of HK\$150 million. The final terms and conditions of the additional banking facility are subject to the bank’s approval and agreement by the parties. We intend to draw down this banking facility in full prior to the Listing Date and to use the proceeds of this banking facility, equivalent to RMB124.5 million, to make further repayment on the outstanding shareholders’ loans.

Approximately 10.0% of the net proceeds to be received by the Company from the Global Offering or HK\$145.0 million (assuming an Offer Price of HK\$2.05 per share, being the mid-point of the indicative Offer Price range) will be used to repay a portion of the remaining outstanding amount of the aforesaid indebtedness due to Faithful Boom, as set forth in the section headed “Future Plans and Use of Proceeds” in this Prospectus. The remaining unpaid amounts due to Faithful Boom, if any, will be waived in full by Faithful Boom upon Listing. Our Directors confirm that we will not rely on our Controlling Shareholders for financing after the Global Offering.

Operational independence — Our Group has an independent work force to carry out the mining business and has not shared its operation team with any of the Controlling Shareholders. Although there have been certain transactions between us and our related parties during the Track Record Period, details of which are set out in Note 24 of the Accountants’ Report, our Directors have confirmed that these related party transactions were conducted in the ordinary course of business and are fair and reasonable and on normal commercial terms. Details of the connected transactions that will continue after Listing are set out in the section headed “Relationship with our Controlling Shareholders and Connected Transactions – Connected Transactions” in this Prospectus.

CORPORATE GOVERNANCE MEASURES

Our Controlling Shareholders have confirmed that they fully comprehend their obligations to act in the best interests of our Company and our shareholders as a whole. To avoid potential conflicts of interest, we have adopted a system of corporate governance with the following principal components:

- as part of our preparation for the Global Offering, we have amended our memorandum and articles of association to comply with the Listing Rules. In particular, our Articles provide that, except in certain limited circumstances (such circumstances are set out in the sub-paragraph headed “Summary of the constitution of the Company and Cayman Islands Companies law – 2. Articles of Association – (a) Directors – (vi) Disclosure of interests in

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contracts with the Company or any of its subsidiaries” in Appendix VII to this Prospectus), a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting. As such, our Controlling Shareholders shall not vote or be counted in the quorum in respect of any proposals involving the Controlling Shareholders or any of their affiliates;

- we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors. We believe our independent non-executive Directors are of sufficient caliber, free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and able to provide an impartial, external opinion to protect the interests of our public shareholders. Details of our independent non-executive Directors are set out in the section headed “Directors, Senior Management and Employees” in this Prospectus;
- we will appoint Guotai Junan Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and internal controls; and
- we will observe that any proposed transaction between us and connected persons will comply with Chapter 14A of the Listing Rules including, where applicable, the announcement, reporting and independent shareholders’ approval requirements of those rules.

CONNECTED TRANSACTIONS

Upon completion of the Global Offering and the Listing, certain transactions between us and our connected person (as defined under the Listing Rules) will constitute continuing connected transactions for us under Chapter 14A of the Listing Rules, details of which are set out below.

Continuing Connected Transactions

Tenancy Agreement

On 18 December 2009 and 10 January 2011, we, as tenant, entered into tenancy agreements (the “Tenancy Agreements”) with New World Tower Company Limited, as landlord, to lease office premises located in Rooms 1502-5, 15th Floor, New World Tower, 16-18 Queen’s Road Central, Hong Kong (the “Property”) with a gross floor area of approximately 3,938 square feet for a period of commencing from 28 October 2009 to 31 December 2013 as our principal place of business in Hong Kong. The rent payable by the Company under the Tenancy Agreements were determined by reference to the market rent for similar premises in the area. We intend to continue to lease the office premises from New World Tower Company Limited following Listing.

Connected Persons

New World Tower Company Limited is one of our connected persons by virtue of it being a wholly-owned subsidiary of New World Development, which held approximately 59.79% of the equity interest in NWS, one of our Controlling Shareholders, as of the Latest Practicable Date. Accordingly, transactions between New World Tower Company Limited and us which will continue after Listing will constitute continuing connected transactions for the purposes of the Listing Rules.

Reasons for such transactions

The Property is principally used as an office for the Group in Hong Kong. It is of a higher quality in terms of its prime location, facilities and supporting services than other available alternatives.

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Historical figures

For the three years ended 31 December 2010, the annual rentals and related expenses payable by our Group for leasing the Property were as follows:

2007	2008	2009	2010
–	–	HK\$246,000	HK\$2,245,000

Annual caps

The proposed annual caps for the rental payable by the Group for leasing the Property for the three years ending 31 December 2013 are set out as follows:

	2011	2012	2013
Rentals and related expenses	HK\$2,350,000	HK\$2,600,000	HK\$3,500,000

Save as disclosed above, we have not entered into any transactions with our connected persons which will continue following the Listing and which will constitute continuing connected transactions within the meaning of the Listing Rules. We will comply with the requirements of the Listing Rules should we conduct any connected transactions with our connected persons in future. All related party loans due to the related parties as disclosed in Note 24 of the Accountants' Report will be settled prior to the Listing.

Implications under the Listing Rules

The transactions under the Tenancy Agreements described above will constitute continuing connected transactions under the Listing Rules once our Shares are listed on the Stock Exchange. Pursuant to the Listing Rules, the relevant percentage ratio for the above continuing connected transactions is less than 5% but more than 0.1% on an annual basis. Accordingly, the above continuing connected transactions are exempted from independent Shareholders' approval but are still subject to announcement and reporting requirements under the Listing Rules. The Directors, including the independent non-executive Directors, believe that it is in the interests of the Company and the Shareholders as a whole to continue with the transactions after the Listing.

Jones Lang Lasalle Sallmanns Limited, an independent property valuer, has confirmed that the rent payable under the Tenancy Agreement is fair and reasonable and consistent with prevailing market rent for similar premises in similar locations. In addition, the Directors, including the independent non-executive Directors confirm that such continuing connected transactions have been and will be entered into in the ordinary and usual course of the Company's business, on normal commercial terms that are fair and reasonable and in the interests of the Shareholders as a whole, and that the proposed annual caps described above are fair and reasonable and in the interests of the Shareholders as a whole.

Waiver

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver in accordance with Rule 14A.42(3) of the Listing Rules in relation to the continuing connected transactions under the Tenancy Agreements referred to above from strict compliance with the announcement requirement of the Listing Rules pursuant to Rule 14A.47.

As required under Rule 14A.42(3) of the Listing Rules, we have agreed that we will comply with the relevant requirements specified under Chapter 14A of the Listing Rules, including Rules 14A.36 to 14A.40.

Confirmation from the Joint Sponsors

The Joint Sponsors confirm that the Company's continuing connected transactions described in this "Continuing Connected Transactions" sub-section above have been and will be entered into in the ordinary and usual course of the Company's business, on normal commercial terms that are fair and reasonable and in the interests of the Shareholders as a whole, and that the proposed annual caps referred to above are fair and reasonable and in the interests of the Shareholders as a whole.