

**A. FURTHER INFORMATION ABOUT US AND OUR SUBSIDIARIES****1. Incorporation**

We were incorporated in Hong Kong with limited liability under the Companies Ordinance on July 18, 2011. Our registered office as at the date of this prospectus is at Room 1201, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong. A summary of our Articles of Association is set out in Appendix IV to this prospectus.

**2. Changes in Our Share Capital**

At the date of our incorporation, our authorized share capital was HK\$100,000 divided into 100,000 Shares.

The following changes in our share capital have taken place since the date of our incorporation up to the date of this prospectus:

- On October 6, 2011, our authorized share capital was increased from HK\$100,000 divided into 100,000 Shares to HK\$5,000,000,000 divided into 5,000,000,000 Shares by the creation of an additional 4,999,900,000 Shares at a par value of HK\$1.00, such new Shares ranking *pari passu* in all respects with the existing issued Shares.
- On November 22, 2011, our issued share capital was increased from HK\$1 divided into 1 Share to HK\$2,600,000,000 divided into 2,600,000,000 Shares, pursuant to the allotment and issue of 2,599,999,999 Shares arising from a share swap agreement dated November 22, 2011 entered into between CNMD and our Company. Please refer to the section “Our History and Reorganization — Reorganization” of this prospectus for more information.

Assuming that the Global Offering becomes unconditional and the Offer Shares are issued but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option, our issued share capital will be HK\$3,470,000,000 divided into 3,470,000,000 Shares fully paid or credited as fully paid, with 1,530,000,000 Shares remaining unissued.

On the basis that the Over-allotment Option is exercised in full, 3,600,500,000 Shares will have been allotted and issued fully paid or credited as fully paid and 1,399,500,000 Shares will remain unissued.

Save as disclosed herein and as set forth in the paragraph headed “— 3. Written Resolutions of the Sole Shareholder Passed on April 27, 2012” there has been no alternation in our share capital since the date of our incorporation.

**3. Written Resolutions of the Sole Shareholder Passed on April 27, 2012**

Written resolutions of the sole Shareholder were passed on April 27, 2012 approving, among others, the following:

1. conditional upon (i) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and the permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option); (ii) the Offer Price having been duly agreed between the Joint Global Coordinators and us; (iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and (iv) the obligations of the

Underwriters under the Underwriting Agreements having become unconditional and not having been terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in such agreements:

- (a) the Global Offering was approved and the Directors were authorized to approve the allotment and issue of the Shares, as the case may be, pursuant to the Global Offering on and subject to the terms and conditions thereof as set out in the prospectus and the Application Forms;
- (b) the proposed Listing of the Shares on the Main Board of the Hong Kong Stock Exchange was approved and the Directors were authorized to implement such Listing;
- (c) the Over-allotment Option was approved and the Directors were authorized to effect the same and to allot and issue the Over-allotment Shares upon the exercise of the Over-allotment Option;
- (d) a general unconditional mandate was given to the Directors to allot, issue and deal with (including the power to make and grant offers, agreements and options, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to a specific authority granted by the Shareholders in general meeting, Shares with a total nominal value not exceeding 20% of the aggregate of the total nominal value of our share capital in issue immediately following completion of the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect until the conclusion of our next annual general meeting unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions, or the expiration of the period within which our next annual general meeting is required by the Articles or any applicable laws to be held, or when revoked or varied by an ordinary resolution of the Shareholders in general meeting, which occurs first;
- (e) a general unconditional mandate (the “Repurchase Mandate”) was given to the Directors authorizing them to exercise all powers to repurchase on the Hong Kong Stock Exchange or on any other approved stock exchange on which our securities may be listed and which is recognized by the SFC and Hong Kong Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Listing Rules or of any other stock exchange on which our securities may be listed, as amended from time to time such number of Shares as will represent up to 10% of the aggregate nominal amount of our share capital in issue immediately following completion of the Global Offering (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect until the conclusion of our next annual general meeting unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions, or the expiration of the period within which our next annual general meeting is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first; and
- (f) the general unconditional mandate in paragraph (d) above be extended by the addition to the aggregate nominal value of our share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general

mandate of an amount representing the aggregate nominal value of our share capital repurchased us pursuant to the mandate to repurchase Shares referred in paragraph (d) above; and

2. the Articles of Association were adopted as our articles of association, conditional upon the Listing.

#### 4. Further Particulars Relating to Subsidiaries

##### **(a) Changes in Share or Registered Capital of Subsidiaries**

Our present subsidiaries are referred to in the Accountants' Report, the text of which is set forth in Appendix I to this prospectus.

The following alterations in the share capital of each of our subsidiaries took place within the two years immediately preceding the date of this prospectus:

- (i) On August 18, 2010, Kakoso Company was incorporated in Zambia with a starting capital of ZMK10,000,000.
- (ii) On December 17, 2010, Huachin was incorporated in the DRC with a statutory capital of US\$10,000,000.
- (iii) On September 23, 2011, CNMH was incorporated in the Republic of Ireland with an issued share capital of €2.

##### **(b) Subsidiaries**

As at the Latest Practicable Date, we had the following subsidiaries:

<u>Name of subsidiary</u>	<u>Place and date of incorporation/ establishment</u>	<u>Issued and fully paid up capital</u>	<u>Attributable equity interest</u>	<u>Principal activities</u>
NFCA . . . . .	Zambia/March 5, 1998	US\$9,000,001	85%	production and sales of copper concentrate
Luanshya . . . . .	Zambia/July 10, 2003	US\$10,000,001	80%	production and sales of copper cathode
SML . . . . .	Zambia/December 3, 2004	US\$2,000	67.75%	production and sales of copper cathode
CCS . . . . .	Zambia/ July 19, 2006	US\$2,000	60%	production and sales of blister copper
Kakoso Company . . . . .	Zambia/August 18, 2010	ZMK10,000,000	88%	production and sales of copper cathode
Huachin . . . . .	DRC/December 17, 2010	US\$10,000,000	62.5%	purchase, processing and sales of copper and cobalt
CNMH . . . . .	Republic of Ireland/ September 23, 2011	€2	100%	investment holding

**B. FURTHER INFORMATION ABOUT OUR BUSINESS****1. Summary of Material Contracts**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) a shareholders agreement of joint venture dated May 21, 2010 entered into between SML and Shenzen Resources Limited with respect to the establishment of Kakoso Company, a joint venture incorporated in Zambia, in which SML invested approximately US\$35,000,000 and holds 88.0% of the shareholding interest;
- (b) a joint venture agreement dated September 9, 2010 entered into between Huachin SPRL and SML with respect to the establishment of Huachin, a joint venture incorporated in the DRC, in which SML made contribution of US\$6,250,000 and holds 62.5% of the shareholding interest;
- (c) a joint venture agreement dated September 9, 2010 entered into between Ng Siu Kam and SML with respect to the establishment of Huachin Minerals, a joint venture incorporated in the DRC, in which SML made contribution of US\$2,143,000 and holds 30% of the shareholding interest;
- (d) a joint venture agreement dated March 20, 2012 entered into between Huachin SPRL and SML with respect to the establishment of CNMC-Mabende, a joint venture to be incorporated in the DRC, in which SML shall make contribution of US\$6,000 and holds 60% of the shareholding interest;
- (e) a share swap agreement dated November 22, 2011 entered into between our Company and CNMD pursuant to which our Company acquired the 85%, 80%, 60% and 55% interests in the issued share capital of NFCA, Luanshya, CCS and SML, respectively, from CNMD in consideration for an aggregate of 2,599,999,999 Shares in our Company;
- (f) a deed of assignment dated November 22, 2011 entered into between our Company and CNMC pursuant to which CNMC assigned its receivable of US\$106,058,061 due from Luanshya to our Company at nil consideration;
- (g) a share swap agreement dated December 2, 2011 entered into between our Company and CNMH pursuant to which CNMH acquired the 85%, 80%, 60% and 55% interests in the issued share capital of NFCA, Luanshya, CCS and SML, respectively, from our Company in consideration for an aggregate of 171,152,000 ordinary shares of €1.00 each in CNMH;
- (h) a deed of adherence dated December 2, 2011, entered into by CNMH in favor of the shareholders of NFCA pursuant to which CNMH agreed to accede to a shareholders' agreement dated March 1998 between ZCCM, CNMC and NFCA, as a shareholder;
- (i) a deed of adherence dated December 2, 2011, entered into by CNMH in favor of the shareholders of Luanshya pursuant to which CNMH agreed to accede to a shareholders' agreement dated July 2009 between ZCCM, CNMC, the Government of the Republic of Zambia and Luanshya, as a shareholder;
- (j) the placing agreement dated May 11, 2012 entered into between our Company, COSCO Venus and the Joint Global Coordinators pursuant to which COSCO Venus has agreed to subscribe for

such number of Offer Shares (rounded down to the nearest board lot) as may be purchased with HK\$232,500,000 at the Offer Price which shall not be more than the maximum Offer Price of HK\$2.80;

- (k) the placing agreement dated May 11, 2012 entered into between our Company, CRCC China-Africa and the Joint Global Coordinators pursuant to which CRCC China-Africa has agreed to subscribe for such number of Offer Shares (rounded down to the nearest board lot) as may be purchased with HK\$80,000,000 at the Offer Price which shall not be more than the maximum Offer Price of HK\$2.80;
- (l) the placing agreement dated May 11, 2012 entered into between our Company, Wise Pine and the Joint Global Coordinators pursuant to which Wise Pine has agreed to subscribe for such number of Offer Shares (rounded down to the nearest board lot) as may be purchased with HK\$232,800,000 at the Offer Price which shall not be more than the maximum Offer Price of HK\$2.80;
- (m) the Deed of Indemnity;
- (n) the Deed of Non-Competition Undertaking; and
- (o) the Hong Kong Underwriting Agreement.

## 2. Intellectual Property Rights of the Group

### (1) Patents

As of the Latest Practicable Date, we had been licensed to use the following registered patent rights:

<u>Technology</u>	<u>Licensor(s)</u>	<u>Licensee(s)</u>	<u>License Fee</u>	<u>Technology Information</u>	<u>Term of License</u>
ISASMELT . . . . .	Xstrata Technology Pty Limited	CCS	US\$800,000	ISASMELT is a technology for smelting non-ferrous metals based on plant and equipment including that for feed preparation, the smelting vessel, lance burner system, equipment for metal and slag tapping and handling, the specifications for refractories and flues and gas cooling and cleaning.	For the life of the smelter at the site of CCS at Chambishi in Zambia

As of the Latest Practicable Date, we had obtained the registration of the following patent rights:





<u>Patent</u>	<u>Patentee(s)</u>	<u>Place of Application</u>	<u>Patent Number</u>	<u>Registration Date</u>	<u>Type</u>
Spraying Lance Control Equipment (噴槍控制裝置)	China Enfi Engineering Corporation (中國恩菲工程技術有限公司) and Chambishi Copper Smelter Limited	China	ZL201020529576.4	May 4, 2011	Utility Model

As of the Latest Practicable Date, we had also applied for the registration of the following patent rights, the registration of which has not yet been granted:

<u>Patent</u>	<u>Applicant(s)</u>	<u>Place of Application</u>	<u>Application Number</u>	<u>Application Date</u>	<u>Type</u>
Spraying Lance Control Method (噴槍控制方法) . . .	China Enfi Engineering Corporation (中國恩菲工程技術有限公司) and Chambishi Copper Smelter Limited	China	201010281989.X	September 15, 2010	Invention

## **(2) Trademarks**

As of the Latest Practicable Date, we had been licensed to use the following trademarks under application:

<u>Trademark</u>	<u>Licensor(s)/ Applicant(s)</u>	<u>License Fee</u>	<u>Place of Application</u>	<u>Application Number</u>	<u>Class</u>	<u>Application Date</u>
	CNMC	Nil	Hong Kong	302083437	1,6,9,14,36,37,40,42	November 11, 2011
	CNMC	Nil	Hong Kong	302083437	1,6,9,14,36,37,40,42	November 11, 2011
	CNMC	Nil	Hong Kong	302083437	1,6,9,14,36,37,40,42	November 11, 2011
	CNMC	Nil	Hong Kong	302083437	1,6,9,14,36,37,40,42	November 11, 2011

## **(3) Copyright**

As of the Latest Practicable Date, we have not registered any copyright.

### **C. REPURCHASE OF OUR OWN SECURITIES**

This section sets out information required by the Hong Kong Stock Exchange to be included in this prospectus concerning the repurchase by us of our own securities.

#### **1. Provisions of the Listing Rules**

The Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their own securities on the Hong Kong Stock Exchange subject to certain restrictions, the more important of which are summarized below:

##### **(a) Shareholders' approval**

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders, either by way of general mandate or by specific approval of a particular transaction.

##### **(b) Source of funds**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and Articles of Association and the Listing Rules and the applicable

laws of Hong Kong. A listed company may not repurchase its own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange. Subject to the foregoing, any repurchases by us may be made out of our funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of our share premium account.

***(c) Trading Restrictions***

The total number of shares which a listed company may repurchase on the Hong Kong Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Hong Kong Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Hong Kong Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Hong Kong Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Hong Kong Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Hong Kong Stock Exchange such information with respect to the repurchase as the Hong Kong Stock Exchange may require.

***(d) Status of Repurchased Shares***

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (ii) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Hong Kong Stock Exchange other than in exceptional circumstances. In addition, the Hong Kong Stock Exchange may prohibit a repurchase of securities on the Hong Kong Stock Exchange if a listed company has breached the Listing Rules.

***(e) Reporting Requirements***

Certain information relating to repurchases of securities on the Hong Kong Stock Exchange or otherwise must be reported to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

**(f) Connected Persons**

A listed company is prohibited from knowingly repurchasing securities on the Hong Kong Stock Exchange from a “connected person”, that is, a director, chief executive or Substantial Shareholder of the company or any of its subsidiaries or their associates and a connected person is prohibited from knowingly selling his securities to the company.

**2. Reasons for Repurchase**

The Directors believe that it is in the best interest of us and our Shareholders for the Directors to have general authority from the Shareholders to enable us to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit us and our Shareholders.

**3. Funding of Repurchases**

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of Hong Kong. On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or our gearing position as compared with the position disclosed in this prospectus. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of the Directors are from time to time appropriate for us.

**4. General**

Exercise in full of the Repurchase Mandate, on the basis of 3,470,000,000 Shares in issue after completion of the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), could accordingly result in up to 347,000,000 Shares being repurchased by us during the period prior to:

- (a) the conclusion of our next annual general meeting;
- (b) the expiration of the period within which our next annual general meeting is required by the Articles of Association or the Companies Ordinance or any other applicable laws of Hong Kong to be held; or
- (c) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting,

whichever is the earliest.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to us or our subsidiaries. The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws in Hong Kong. If, as a result of a repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of us is increased, such increase



will be treated as an acquisition for the purpose of the Hong Kong Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

No connected person has notified us that he or she has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

#### D. FURTHER INFORMATION ABOUT THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

##### 1. Disclosure of Interests

###### ***(a) Interests and/or short positions of the Directors and chief executives in our share capital and its associated corporations following the Global Offering***

Immediately following the completion of the Global Offering (but taking no account of any Shares which may be taken up under the Global Offering), none of the Directors and our chief executives will have any interests and short positions in the Shares, underlying Shares or debentures of us and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the Shares are listed.

###### ***(b) Interests and/or short positions of the Substantial Shareholders in the Shares which are disclosable under Divisions 2 and 3 of Part XV of the SFO***

Immediately following the completion of the Global Offering, so far as the Directors are aware, the following persons (not being a Director or a chief executive of us) will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Long position in the Shares:

<u>Substantial shareholder</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding<sup>(1)</sup></u>
CNMD <sup>(2)</sup> . . . . .	Registered owner	2,600,000,000	74.93%
CNMC . . . . .	Interest in a controlled corporation	2,600,000,000	74.93%

Notes:

(1) Assuming the Over-allotment Option is not exercised.

(2) CNMD is a wholly-owned subsidiary of CNMC and therefore CNMC is deemed or taken to be interested in all the Shares which are owned by CNMD for the purposes of the SFO.

**(c) Negative statements regarding interests in securities**

None of the Directors or our chief executives will immediately following the completion of the Global Offering (assuming that the Over-allocation Option is not exercised) have any disclosure interests (as referred to in (a) above), other than as disclosed at (a) above.

Taking no account of Shares which may be taken up under the Global Offering, none of the Directors knows of any persons who will immediately following the completion of the Global Offering (assuming that the Over-allocation Option is not exercised) have a notifiable interest (for the purposes of the SFO) in the Shares or, having such a notifiable interest, have any short positions (within the meaning of the SFO) in the Shares, other than as disclosed at (b) above.

**2. Particulars of Directors' service agreements and letters of appointment**

Each of the executive Directors has entered into a service agreement with us for an initial term of three years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant service agreement).

Pursuant to the service agreements, the initial annual salary of our executive Directors (excluding any discretionary bonus) are as follows:

<u>Director</u>	<u>Remuneration (per annum)</u>
Xinghu Tao . . . . .	nil
Chunlai Wang . . . . .	RMB1,000,000
Xingeng Luo . . . . .	RMB1,000,000
Xinguo Yang . . . . .	RMB1,000,000
Kaishou Xie . . . . .	RMB1,000,000

In addition, each of our Executive Directors is fully reimbursed for all reasonable out-of-pocket expenses reasonably incurred in the course of his employment under the relevant service agreements.

Our non-executive Director has signed a letter of appointment with us for an initial term of three years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letters of appointment). The annual remuneration payable to our non-executive Director under his letter of appointment is as follows:

<u>Director</u>	<u>Remuneration (per annum)</u>
Tao Luo . . . . .	nil

In addition, our non-executive Director is fully reimbursed for all reasonable out-of-pocket expenses incurred in discharging his duties on production of appropriate proofs of payment.

Each of the independent non-executive Directors has signed a letter of appointment with us for an initial term of three years commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letters of appointment).

The annual remuneration payable to each of our independent non-executive Directors under the relevant letters of appointment is as follows:

<u>Director</u>	<u>Remuneration (per annum)</u>
Chuanyao Sun .....	RMB240,000
Jingwei Liu .....	RMB240,000
Shuang Chen .....	RMB240,000

In addition, each of the independent non-executive Directors is fully reimbursed for all reasonable out-of-pocket expenses incurred in discharging his duties on production of appropriate proofs of payment.

Save as disclosed in this prospectus, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of our Group (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

### **3. Remuneration of Directors**

For the year ended December 31, 2011, the aggregate amounts of remuneration (including fee, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid to our Directors was US\$829,000.

Under arrangements in force at the date of this prospectus, the aggregate initial annual salary payable to the Directors, excluding any discretionary bonus, are estimated to be approximately RMB4.72 million (equivalent of approximately US\$730,255) in respect of the year ending December 31, 2012.

Our policy concerning the remuneration of the Directors is that the amount of remuneration is determined on the basis of the relevant Director's experience, responsibility, performance and the time devoted to our business.

Same as disclosed in this prospectus, no Director has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for service rendered by him in connection with the promotion or formation of us.

### **4. Agency fees or commission**

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of us or any of our subsidiaries.

### **5. Related party transactions**

During the two years immediately preceding the date of this prospectus, we have engaged in dealings with certain Directors and their associates as described in note 36 to the "Notes to the Financial Information" section of the Accountants' Report set out in Appendix I to this prospectus.

**E. DISCLAIMERS**

Save as disclosed herein:

- (a) none of the Directors or our chief executives has any interest or short position in the shares, underlying shares or debentures of us or any of our associated corporation (within the meaning of the SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO of which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Companies once the Shares are listed;
- (b) none of the Directors or experts referred to in the section headed “— F. Other Information — 7. Consents of Experts” in this Appendix has any direct or indirect interest in the promotion of us, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of the Directors or experts referred to in the section headed “— F. Other Information — 7. Consents of Experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) none of the Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) taking no account of Shares which may be taken up under the Global Offering, none of the Directors knows of any person (not being a Director or chief executive of us) who will, immediately following completion of the Global Offering, have an interest or short position in the Shares or underlying Shares of us which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group;
- (f) none of the experts referred to under the section headed “— F. Other Information — 7. Consents of Experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (g) so far as is known to the Directors, none of the Directors, their respective associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of our issued share capital have any interests in the five largest customers or the five largest suppliers of our Group.

**F. OTHER INFORMATION****1. Indemnity**

CNMC, our Controlling Shareholder, has agreed to give indemnities in respect of certain non-tax and taxation matters (including estate duty) in favor of our Group. Please see the paragraph “Deed

of Indemnity” in the section entitled “Relationship with our Controlling Shareholder” of this prospectus for details of the indemnities.

## **2. Litigation**

Except as disclosed in this prospectus, as of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial condition.

## **3. Joint Sponsors**

The Joint Sponsors have made an application on our behalf to the Listing Committee for the Listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus.

Each of the Joint Sponsors has declared pursuant to Rule 3A.08 of the Listing Rules that it is independent pursuant to Rule 3A.07 of the Listing Rules.

## **4. Preliminary Expenses**

Our preliminary expenses are estimated to be HK\$80,670 and are payable by us.

## **5. Taxation of Holders of Shares**

The sale, purchase and transfer of Shares registered on our register of members in Hong Kong will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration, or if higher, the fair value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong by persons that are tax resident in Hong Kong may also be subject to Hong Kong profits tax.

The Shares are Hong Kong property for the purposes of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) and, accordingly, Hong Kong estate duty may be payable in respect thereof on the death of an owner of Shares. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

Prospective holders of Shares are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding, disposing of or dealing in Shares. It is emphasized that none of us, the Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding, disposal of or dealing in Shares or exercise any rights attaching to them.

## 6. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

<u>Name</u>	<u>Qualification</u>
UBS AG, Hong Kong Branch	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
J.P. Morgan Securities (Asia Pacific) Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
JunZeJun Law Offices	PRC legal advisers
Corpus Legal Practitioners	Zambia legal advisers
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property Valuer and Consultant
SRK Consulting (China) Ltd	Competent person
Wood Mackenzie (Australia) Pty Ltd.	Industry expert

## 7. Consents of Experts

Each of the experts set out in the above paragraph has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

## 8. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance so far as applicable.

## 9. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

**10. Compliance Adviser**

We have, pursuant to Rule 3A.19 of the Listing Rules, appointed Guotai Junan Capital Limited to act as our compliance adviser for the period commencing from the Listing Date and ending on the date that we publish our first full year results. Guotai Junan Capital Limited will, among other things, provide us with advice in relation to compliance with the Listing Rules and other applicable laws, regulations, rules, codes and guidelines in Hong Kong and will keep us informed on a timely basis of any changes in these laws, regulations, codes and guidelines.

**11. Miscellaneous**

(a) Save as disclosed in this prospectus:

- (i) within the two years preceding the date of this prospectus, no share or loan capital of us or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (ii) within the two years preceding the date of this prospectus, no share or loan capital of us or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) we have no founder, management or deferred shares nor have we issued or agreed to issue any debentures;
- (iv) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of us or any of our subsidiaries; and
- (v) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in us or any of its subsidiaries.

(b) Since December 31, 2011 (being the date to which the latest audited combined financial statements of our Group were made up), there has been no material adverse change in the financial or trading position or prospects of our Group.

(c) None of the persons named in the sub-paragraph headed “— F. Other Information — 7. Consents of experts” in this Appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group.

(d) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.