

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes the particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Enlarged Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company; or which (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), to be notified to the Company or the Stock Exchange.

## 3. COMPETING BUSINESS

Save as disclosed in the section headed “Substantial Shareholders’ Interests” in this Appendix VII, as at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had an interest in a business which competes or may compete with the business of the Enlarged Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company).

## 4. DIRECTORS' INTEREST IN THE TRANSACTIONS

Save for Mr. Zhang Zhong who is a director of the Seller and the Target Company, Mr. Zhang Sanlin who is a director of Newshelf and Mr. Gao Tianpeng and Ms. Zhou Xiaoyin who are directors of Metorex, none of the Directors have any material interest in the Acquisition for which they shall be required to abstain from voting on the board resolutions approving the terms of the Acquisition Agreement and the Transactions. However, for good corporate governance, Mr. Yang Zhiqiang and Mr. Qiao Fugui had also voluntarily abstained from voting in the meeting of the Board in which the Acquisition is to be approved. Notwithstanding the above, all of these Directors do not require to, and did not, abstain from voting on the other resolutions considered at the meeting of the Board.

## 5. ADDITIONAL DISCLOSURE OF INTEREST

There was no contract or arrangement subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the businesses of the Enlarged Group.

Save as disclosed herein, none of the Directors had any direct or indirect interest in any assets which had since 31 December 2012 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

## 6. SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company (being 5% or more of the Company's issued share capital) under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholders maintained under section 336 of the SFO. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

| Name of Shareholder                   | Capacity/nature of interest          | Number of Shares | Percentage of the total number of Shares in issue <sup>(2)</sup> |
|---------------------------------------|--------------------------------------|------------------|--|
| Jinchuan Group <sup>(1)</sup>         | Interest of a controlled corporation | 1,667,142,857    | 60.52%   |
| Jinchuan HK <sup>(1)</sup>            | Interest of a controlled corporation | 1,667,142,857    | 60.52%   |
| Jinchuan (BVI) Limited <sup>(1)</sup> | Interest of a controlled corporation | 1,667,142,857    | 60.52%   |
| Jinchuan (BVI) 1 Limited              | Beneficial owner                     | 956,557,377      | 34.72%   |
| Jinchuan (BVI) 2 Limited              | Beneficial owner                     | 437,283,372      | 15.87%   |
| Jinchuan (BVI) 3 Limited              | Beneficial owner                     | 273,302,108      | 9.92%  |

*Notes:*

- (1) Jinchuan Group directly owns 100% of the issued share capital of Jinchuan HK which in turn owns 100% of the issued share capital of Jinchuan (BVI) Limited which owns 100% of the issued share capital of Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited. Therefore, Jinchuan Group, Jinchuan HK and Jinchuan (BVI) Limited are deemed to have an interest in 1,667,142,857 shares under the SFO.
- (2) The calculation is based on the number of Shares as a percentage of the total number of issued shares of the Company (i.e. 2,754,873,051 shares) as at the Latest Practicable Date.

- (3) Save as disclosed below, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

| <b>Name of Director</b> | <b>Posts held in Jinchuan Group</b>  |
|-------------------------|--|
| Mr. Yang Zhiqiang       | President, chairman and director   |
| Mr. Zhang Sanlin        | Deputy general manager and director  |
| Mr. Gao Tianpeng        | General manager of the asset management division   |
| Mr. Qiao Fugui          | Assistant to the general manager and the general manager of the mineral resources division |
| Ms. Zhou Xiaoyin        | Legal counsel  |

  

| <b>Name of Director</b> | <b>Posts held in Jinchuan HK</b> |
|-------------------------|----------------------------------|
| Mr. Yang Zhiqiang       | Chairman and director            |
| Mr. Zhang Sanlin        | Director                         |
| Mr. Zhang Zhong         | General manager and director     |

  

| <b>Name of Director</b> | <b>Posts held in Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited</b> |
|-------------------------|--|
| Mr. Yang Zhiqiang       | Director   |
| Mr. Zhang Sanlin        | Director   |
| Mr. Zhang Zhong         | Director   |

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or the chief executive of the Company) who had any interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## 7. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has any service contract with any member of the Enlarged Group which will not expire or be terminable by the Enlarged Group within one year without payment of compensation (other than statutory compensation).

## 8. MATERIAL CONTRACTS

The Enlarged Group had entered into the following material contracts (not being contracts entered into in the ordinary course of business of the Enlarged Group) within two years immediately preceding the Latest Practicable Date:

### *The Group*

- (a) two trademark licensing agreements both dated 7 December 2011 entered into between Monita Trademark Limited and Guangzhou CMM Cosmetic Company Limited, pursuant to which Monita Trademark Limited authorized Guangzhou CMM Cosmetic Company Limited to apply the trademarks of Monita and Fairlady onto its products in accordance with the terms and conditions in the respective agreement;

- (b) a mutual deed of release dated 16 January 2012 entered into between Winning Elite Investment Limited (“**LP**”), Lakeshore Investment Group, Inc. (“**GP**”) and LCF Macau Co-Investors, L.P. (“**Partnership**”), pursuant to which (i) GP sold all its interest in the Partnership for a net sum of HK\$65 million (the “**Transaction**”); (ii) LP received a distribution of HK\$17.25 million from the Partnership and no longer had any ownership in the Partnership; and (iii) GP and LP released each other and its affiliate(s) from all liability arising out of the Transaction;
- (c) a sale and purchase agreement dated 24 June 2013 entered into between the Company as seller, Ambleside Associates Limited as purchaser and Cheng Ho Ming (alias Cheng Ming Ming) as purchaser’s guarantor, pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the entire issued share capital of Carissa Bay Inc. for a consideration of HK\$24,750,000; and
- (d) the Acquisition Agreement.

#### *The Target Group*

- (a) a second addendum to sale of shares and claims agreement dated 21 September 2011 entered into between Metorex, Glencore Investments B.V. and Sable Zinc Kabwe Limited to amend the sale of shares and claims agreement dated 7 June 2011 as amended by a first addendum dated 29 July 2011;
- (b) an addendum No. 5 dated 11 October 2012 to the Ruashi JVA dated 9 June 2000 entered into between Gécamines and Ruashi Holdings in terms of which Gécamines undertakes to transfer a portion of PE4958 containing the Dilala Est and Dilala Ouest deposits to Ruashi Mining and providing for the payment of an additional pas de porte (mineral content fee) of US\$10,500,000 and providing for further pas de porte at \$35/tonne of copper to the extent that copper reserves exceed 1,500,000 tonnes; and
- (c) a third addendum to a sale of business and relationship agreement dated 2 May 2013 entered into between Consolidated Murchison (A Division of Metorex), Cons Murch Mine (Proprietary) Limited, To The Point Growth Specialists (Proprietary) Limited, the trustees for the time being of the Cons Murch Employee Share Trust, Nebavest 49 (Proprietary) Limited and Business Venture Investments No.1423 (Proprietary) Limited to amend the sale of business agreement dated 20 August 2010, as amended by a first addendum dated 17 November 2010 and a second addendum dated 3 March 2011.

Save as disclosed above, no material contracts (not being a contract entered into the ordinary course of business carried on by the Enlarged Group) have been entered into by any member of the Group within two years preceding the Latest Practicable Date which are or may be material.

**9. LITIGATION**

As at the Latest Practicable Date, no litigation or claims of material importance (including any litigation or claims that may have any material influence on rights to explore or mine) was known to the Directors to be pending or threatened against any member of the Enlarged Group.

**10. MATERIAL ADVERSE CHANGE**

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012 (being the date to which the latest published audited financial statements of the Company have been made up) and up to the Latest Practicable Date.

**11. QUALIFICATION AND CONSENT OF EXPERTS**

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

| Name                     | Qualification   |
|--------------------------|---|
| Deloitte Touche Tohmatsu | Certified Public Accountants, Hong Kong   |
| Deloitte & Touche        | Registered Auditors, South Africa   |
| Investec                 | A corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO |
| SRK                      | Competent Person and Competent Evaluator  |

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this circular with the expert's statement included in the form and context in which it is included.

As at the Latest Practicable Date, all the experts above were not beneficially interested in the share capital of any member of the Enlarged Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

As at the Latest Practicable Date, none of the experts referred to above, directly or indirectly, has had any interest in any assets which had since 31 December 2012 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

**12. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Wong Tak Chuen. Mr. Wong Tak Chuen is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom, as well as a member of the Institute of Chartered Accountants in England and Wales, Mr. Wong has over 20 years of experience in auditing, financial management, mergers and acquisitions gained from various senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States.
- (b) The registered office of the Company is at P.O. Box 309, Umland House, Grand Cayman KY1-1104, Cayman Islands.
- (c) The Cayman Islands principal share registrar and transfer office of the Company is Butterfield Bank (Cayman) Limited and the Hong Kong Branch share registrar and transfer office of the Company is Hong Kong Registrars Limited.
- (d) All references to times in this circular refer to Hong Kong times.
- (e) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

**13. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during business hours at the principal place of business of the Company in Hong Kong at Suite 1203B, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong from the date of this circular up to and including 19 September 2013:

- (a) the memorandum and articles of association of the Company;
- (b) the letter from the Independent Board Committee to the Independent Shareholders dated 30 August 2013, the text of which is set out on pages 50 to 51 of this circular;
- (c) the letter from the Independent Financial Adviser dated 30 August 2013, the text of which is set out on pages 52 to 96 of this circular;
- (d) the accountants' report of the Target Company prepared by Deloitte Touche Tohmatsu for the period from 30 November 2011 to 31 December 2011, for the year ended 31 December 2012 and for the six months ended 30 June 2013, the text of which is set out in Appendix I to this circular;
- (e) the accountants' report of the Metorex Group prepared by Deloitte & Touche for the period from 1 July 2009 to 31 December 2011, for the years ended 31 December 2011 and 31 December 2012 and for the six months ended 30 June 2013;
- (f) the published annual reports of the Company for each of the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012;

- (g) the report on unaudited pro forma financial information of the Enlarged Group dated 30 August 2013 prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IV to this circular;
- (h) the Competent Person's Report and Valuation Report dated 30 August 2013 prepared by SRK, the text of which is set out in Appendix V to this circular;
- (i) copies of each of the material contracts referred to in the section headed "Material Contracts" in paragraph 8 of this appendix;
- (j) this circular; and
- (k) the written consents referred to in the section headed "Qualification and Consent of Experts" in paragraph 11 of this appendix.