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# REORGANIZATION AND CORPORATE STRUCTURE

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## History and Development

We were established on December 22, 1999 under the name of LLMG, as a limited liability company wholly-owned by the People's Government of Luanchuan County (which held the interest on behalf of the People's Government of Luoyang City) following the approval of the merger of two enterprises, namely, LLMC and LCMCC on August 18, 1998 by the People's Government of Luoyang City. Our registered capital was RMB251 million upon establishment.

Immediately prior to the merger, both LLMC and LCMCC were principally engaged in mining, flotation, roasting, smelting and sale of molybdenum products.

Following the establishment of LLMG, we expanded our open-pit mining operations. Our ore production reached 8,000 tpd by the end of 2001. In 2002, Luomu Group Refining commenced its operations to produce molybdenum oxide and ferromolybdenum. To accommodate the mining expansion, we doubled our daily ore processing capacity from 8.0 Kt in 2002 to approximately 15.0 Kt by the end of 2004.

As part of our corporate restructuring, we disposed of some of our businesses during the years 2003 and 2004 to streamline our business operations. In September 2004, after receiving the approvals issued by the People's Government of Luanchuan County approving the reorganization of LLMG and CFCH to subscribe shares in LLMG, we entered into an agreement with CFCH ("Subscription Agreement") and increased our registered capital to RMB280,020,000. Luoyang SASAC reconfirmed our 2004 reorganization by "The letter on the reorganization of Luoyang Luanchuan Molybdenum Group Co., Ltd in 2004" in November 2006 and "The confirmation letter on the reorganization and capital increase of China Molybdenum Co., Ltd." in January 2007.

CFCH is a limited liability company established in the PRC on July 7, 2003. CFCH is an investment holding company, principally engaged in direct investment, mergers and acquisitions, venture capital, investment management and financial consulting and is owned by two individuals, namely, Mr Xu Jun and Mr Yu Yong, who hold 10% and 90% equity interest, respectively, in CFCH.

The subscription price paid by CFCH was RMB137,209,800, which was determined with reference to an asset valuation report prepared by a PRC valuer dated August 30, 2004. Prior to the reorganization in 2004, the registered capital of LLMG was RMB251,000,000. As a result of our reorganization in 2004, the State-owned capital of LLMG was reduced to RMB142,810,200, after deduction of a total amount of RMB108,189,800, being the aggregate of (i) a one-off amount of RMB92,368,779.84 payable to the employees in the form of employment status transformation compensation (職工身份置換金), which was payable by the People's Government of Luanchuan County (the State shareholder of LLMG) who discharged its payment obligation in this regard to LLMG through a reduction in the State-owned capital of LLMG; and (ii) a RMB15,821,020.16 one-off hand-over of certain land use rights by LLMG to the People's Government of Luanchuan County through reduction in the State-owned capital of LLMG. After such reduction in capital, the book value of the total State-owned capital in LLMG decreased to RMB142,810,200. For the purposes of the reorganization, the PRC valuer conducted valuation appraisal of the assets of LLMG in order to assess the value of the State-owned capital in LLMG. Based on the PRC valuer's valuation report filed with the People's Government of Luanchuan County, the appraised net asset value of LLMG was RMB181,229,800 as at June 30, 2004. After subtraction of the aforementioned aggregate reduction in the State-owned capital in LLMG amounting to RMB108,189,800 and the addition of the audited net profit of RMB65,000,000 of LLMG for the two months from July 1, 2004 to August 31, 2004, the actual appraised net asset value of LLMG was determined to be RMB138,040,000 as at the end of August 2004, which turned out to be lower than the book value of the remaining total

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State-owned capital in LLMG (RMB142,810,200). LLMG and CFCH agreed that the book value of the remaining total State-owned capital in LLMG, i.e., RMB142,810,200, should be used as the basis for determining the subscription price of the investment by CFCH in LLMG. Subsequently, CFCH subscribed in cash for 137,209,800 shares (representing 49% of the enlarged equity capital of LLMG) at a par value of RMB1.0 a share with a total subscription price of RMB137,209,800. In addition to the RMB137,209,800 equity capital contribution, CFCH also agreed to make a one-off cash contribution of RMB41.0 million to LLMG to assist LLMG in partially absorbing the employment status transformation compensation (職工身份置換金).

Immediately prior to the subscription, there was no relationship between Mr Xu, Mr Yu, the then Controlling Shareholders of the Company, their respective management and us, save for Mr Xu and Mr Yu being the shareholders and members of the management of CFCH.

On December 5, 2005, the People's Government of Luoyang City issued notices declaring that the People's Government of Luanchuan County was holding the equity interest in LLMG on behalf of the People's Government of Luoyang City and authorizing Luoyang SASAC to hold the State interest on behalf of the People's Government of Luoyang City. Subsequently, in August 2006, Luoyang SASAC transferred the State equity interest in our Company to LMG, a company established and wholly-owned by Luoyang SASAC. Our PRC legal advisor has confirmed that subject to relevant regulations, the transfer of equity interest in our Company from the People's Government of Luoyang City and Luoyang SASAC to LMG did not require authorization from the State Council.

In accordance with the relevant administrative regulations, Luoyang SASAC is an administrative arm of the People's Government of Luoyang City charged with the responsibilities of an asset investor supervising and managing the State assets. Luoyang SASAC is accountable to the People's Government of Luoyang City. Under the relevant PRC laws and regulations, the People's Government of Luoyang City is accountable to and reports its work to the People's Government of Henan Province.

### Reorganization

In preparation for the Global Offering, we were converted into a joint stock company with limited liability on August 25, 2006 with LMG and CFC as our promoters holding 51% and 49%, respectively, of our share capital.

### Equity Subscriptions and Disposals

During the period from 2003 to 2006, we subscribed for equity interests in a number of companies to expand our business operations and underwent a series of streamlining exercises whereby some of our non-core, non-performing businesses were disposed of. Summary of these transactions is set out in the table below:

#### *Equity subscriptions*

<u>Target</u>	<u>Principal activities</u>	<u>Nature of the transaction</u>	<u>Date</u>	<u>Consideration</u>	<u>Basis of consideration</u>
Sanqiang <sup>(1)</sup>	Ore flotation	Subscription for 51% equity interest	January 20, 2006	RMB28,294,800	By valuation
Dadongpo <sup>(2)</sup>	Ore flotation	Subscription for 51% equity interest	February 21, 2006	RMB33,483,750	By valuation
Jiuyang Mining <sup>(3)</sup>	Ore flotation	Subscription for 51% equity interest	March 6, 2006	RMB17,028,900	By valuation

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## Notes:

1. Immediately prior to entering into the subscription agreement for Sanqiang, the shareholders of Sanqiang were Luanchuan County Chengzhi Mining Co., Ltd. (樂川縣誠志礦業有限公司) and the Workers' Union of Sanqiang (三強鎢鎢有限公司工會委員會). Immediately prior to entering into the subscription agreement, the shareholders of Sanqiang were Independent Third Parties. The equity interest held by the Workers' Union of Sanqiang was transferred to Luanchuan County Chengzhi Mining Co., Ltd. on January 11, 2007. As at the Latest Practicable Date, save for Luanchuan County Chengzhi Mining Co., Ltd. being a shareholder of one of our subsidiaries, Luanchuan County Chengzhi Mining Co., Ltd. is an Independent Third Party.
2. Immediately prior to entering into the subscription agreement for Dadongpo, the shareholders of Dadongpo were Luanchuan County Taifeng Industry and Trading Co., Ltd. (樂川縣泰峰工貿有限公司) and the Workers' Union of Dadongpo (樂川縣大東坡鎢鎢礦業有限公司工會委員會). Immediately prior to entering into the subscription agreement, the shareholders of Dadongpo were Independent Third Parties. The equity interest held by the Workers' Union of Dadongpo was transferred to Luanchuan County Taifeng Industry and Trading Co., Ltd. on January 11, 2007. As at the Latest Practicable Date, save for Luanchuan County Taifeng Industry and Trading Co., Ltd. being a shareholder of one of our subsidiaries, Luanchuan County Taifeng Industry and Trading Co., Ltd. is an Independent Third Party.
3. Immediately prior to entering into the subscription agreement for Jiuyang Mining, the shareholders of Jiuyang Mining were Luanchuan County Hongji Mining Co., Ltd. (樂川宏基礦業有限公司) and the Workers' Union of Jiuyang Mining (樂川縣九揚礦業有限公司工會委員會). Immediately prior to entering into the subscription agreement, the shareholders of Jiuyang Mining were Independent Third Parties. The equity interest held by the Workers' Union of Jiuyang Mining was transferred to Luanchuan County Hongji Mining Co., Ltd. on January 11, 2007. As at the Latest Practicable Date, save for Luanchuan County Hongji Mining Co., Ltd. being a shareholder of one of our subsidiaries, Luanchuan County Hongji Mining Co., Ltd. is an Independent Third Party.

While we generally attempt to achieve as much equity ownership as possible in businesses that are critical to our operations, considerations were also given to the intention of other investors and other commercial factors. The amount of equity interest subscribed in Sanqiang, Dadongpo and Jiuyang Mining were the results of negotiations with other investors, having regards to various commercial considerations at the relevant time.

## Disposals

Name of company	Nature of transaction	Date	Acquirer	Relationship with Group	Consideration	Principal activities	Net asset value as at date of valuations/ negotiations Basis of (RMB) consideration
洛陽樂川鉬業集團礦業有限公司 Luoyang Luanchuan Molybdenum Group Ore Processing and Additives Co., Ltd.	Sale of 100% equity interest	June, 2003	Yan Sheng (嚴勝) (a natural person)	Independent Third Party	RMB2,189,000	Processing of non-ferrous metals and chemical products	-430,000 By valuation
洛陽樂川鉬業集團汽車修配有限公司 Luoyang Luanchuan Molybdenum Group Automotive Repair Services Co., Ltd.	Sale of 100% equity interest	July 6, 2004	Mou Yingquan (牟英泉) and 28 other natural persons	Employees of Luoyang Luanchuan Molybdenum Group Automotive Repair Services Co., Ltd. at time of disposal	RMB2,800,000	Automotive repair	0 By valuation
洛陽樂川鉬業集團機械工程有限公司 Luoyang Luanchuan Molybdenum Group Machinery & Engineering Co., Ltd.	Sale of 100% equity interest	December 10, 2004	Huang Guobin (黃國斌) and 30 other natural persons	Employees of Luoyang Luanchuan Molybdenum Group Machinery & Engineering Co., Ltd. at time of disposal	RMB15,510,100	Machinery and engineering of cast iron	-7,200,000 By valuation
洛陽白馬紡織有限公司 Luoyang Baima Textile	Sale of 100% equity interest (10% of the equity interest was sold by Luoyang High Tech, our wholly-owned subsidiary)	October 16, 2006	LMG	Shareholder	RMB10,000,000	Sale and production of fabrics and clothing	10,000,000 Negotiations on an arm's length basis

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In view of the nature of businesses conducted by the disposed subsidiaries, which is largely different from ours in terms of their relatively small scale operations, the disposed subsidiaries were immaterial to our operation and financial position throughout the Track Record Period. Our Directors are of the view that none of the disposed subsidiaries is currently in competition with us. The acquirers of Luoyang Luanchuan Molybdenum Group Automotive Repair Services Co., Ltd. and Luoyang Luanchuan Molybdenum Group Machinery & Engineering Co., Ltd. were the then employees of these two entities at the time of the disposal and, ever since the disposals were completed, there has been no relationship between these two entities and us, nor any relationship between the shareholders of these two entities and our Shareholders.

### *Dissolutions/Liquidation*

<u>Name of company</u>	<u>Nature of transaction</u>	<u>Date</u>	<u>Principal activities</u>
洛陽樂川鉬業集團四道溝選礦有限公司 Luoyang Luanchuan Molybdenum Group Sidaogou Ore Processing Co., Ltd. . . . . .	Liquidation	March 12, 2005	Downstream processing of mineral products
洛陽樂川鉬業集團包裝有限公司 Luoyang Luanchuan Molybdenum Group Packaging Co., Ltd.. . . . .	Dissolution	August 30, 2005	Production of iron, wood and plastic packaging products
洛陽樂川鉬業集團鎢鉬材料有限責任公司 Luoyang Luanchuan Molybdenum Group Tungsten and Molybdenum Materials Co., Ltd.. . . . .	Dissolution	August 30, 2005	Production of tungsten powder, molybdenum powder
洛陽樂川鉬業集團企業發展有限公司 Luoyang Luanchuan Molybdenum Enterprise Development Co., Ltd. . . . . .	Dissolution	September 30, 2005	Staff welfare and supporting services
上海伊源鎢鉬有限公司 Shanghai Yiyuan Tungsten & Molybdenum Co. Ltd. . . . . .	Dissolution	March 12, 2007	Distribution of tungsten, molybdenum and chemical products

Our Directors confirmed that the above companies were solvent at the time of dissolutions or liquidation, and we will not be subject to any contingent liabilities arising from the dissolutions or liquidation.

As part of our corporate streamlining exercise, we converted one of our former subsidiaries, namely, Taibaoshan, to No.1 Ore Processing Branch in 2005.

In September 2006, in an effort to introduce management share ownership, we issued 36,842,105 ordinary Shares with a nominal value of RMB1.0 each to Luoyang Huamu, a company owned and controlled by some members of our senior management, namely Mr Duan Yuxian, our chairman (holding 70% equity interest), Mr Li Faben, our executive Director (holding 5% equity interest), Mr Wang Qinxin, our executive Director (holding 5% equity interest), Mr Yang Jianbo, our deputy general manager (holding 5% equity interest), Mr Wang Bin, our deputy general manager (holding 5% equity interest), Mr Zhang Bin, one of our senior officers (holding 5% equity interest) and Mr Deng Jiaoyun, our Supervisor (holding 5% equity interest), for a total consideration of approximately RMB53.7 million determined with reference to an asset valuation report issued by a PRC valuer. No government approval was required for such valuation, nor the issuance of Shares to Luoyang Huamu. Following the share issuance, LMG, CFC and Luoyang Huamu held 48.45%, 46.55% and 5%, respectively, of our share capital.

Following such subscription, further discussions took place between our management, Shareholders and Henan SASAC with respect to the relevant policies relating to management share ownership. Henan SASAC advised that management should not hold any equity interest in our

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Company. In addition, to ensure that LMG continues to remain as the largest Shareholder upon Listing, as LMG would be required to transfer a percentage of its Shares to the NSSF at the time of Listing in accordance with relevant PRC regulations regarding the disposal of State-owned shares, we were advised by Henan SASAC to arrange for Luoyang Huamu to transfer its entire equity interest in our Company to LMG and CFC. Subsequently, on September 25, 2006, Luoyang Huamu, LMG and CFC entered into a share transfer agreement whereby Luoyang Huamu agreed to sell its entire shareholding in us, being 36,842,105 Shares in total, for the same amount of consideration as the Shares were issued (being approximately RMB53.7 million determined with reference to an asset valuation report issued by a PRC valuer) to LMG and CFC. Under the agreement, Luoyang Huamu transferred 26,157,895 Shares to LMG and 10,684,210 Shares to CFC. No governmental approval was required for the transfer of the Shares held by Luoyang Huamu to LMG and CFC.

Following the above transfer, LMG and CFC held 52% and 48%, respectively, of our share capital.

### Share Split

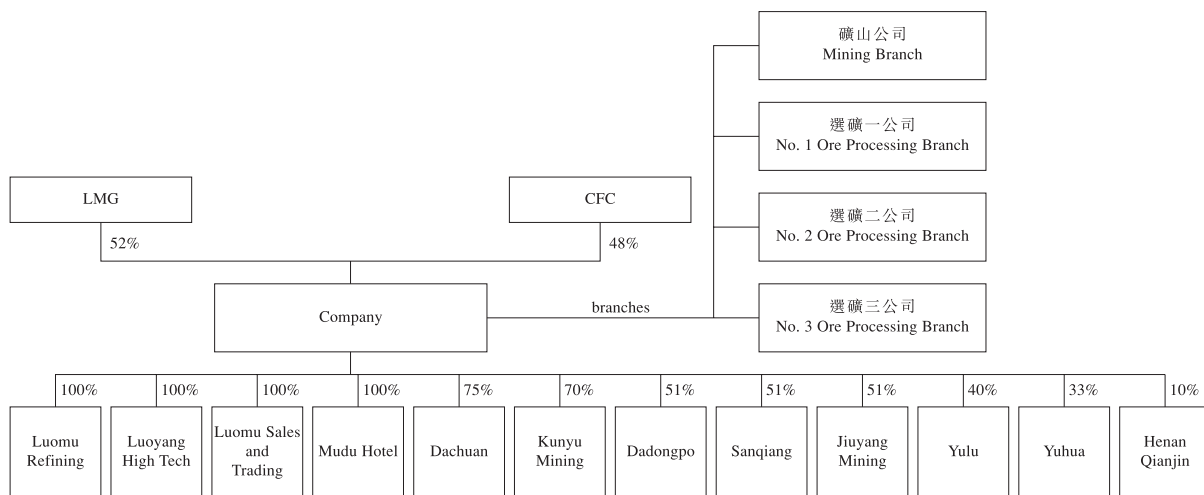
At the general meeting of the Company held on December 3, 2006, the Shareholders approved that every one share of RMB1.0 each in the capital of our Company as at December 3, 2006 be divided into five shares with a par value of RMB0.2 each in our capital with effect from the date of this prospectus. The CSRC approved the share split on March 8, 2007. The following is a description of our share capital immediately before and after the completion of share split:

	Before share split			After share split		
	Number of shares	Aggregate nominal value of shares (RMB)	Percentage of shareholding	Number of shares	Aggregate nominal value of shares (RMB)	Percentage of shareholding
LMG . . . . .	383,157,895	383,157,895	52%	1,915,789,475	383,157,895	52%
CFC . . . . .	353,684,210	353,684,210	48%	1,768,421,050	353,684,210	48%
	736,842,105	736,842,105	100%	3,684,210,525	736,842,105	100%

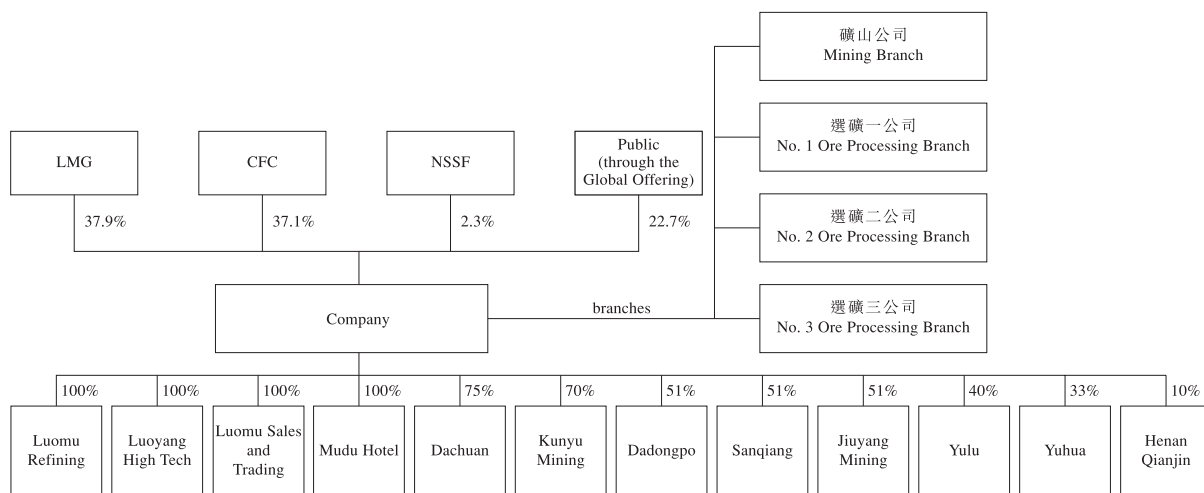
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## CORPORATE STRUCTURE

The following chart sets out our corporate structure as at the Latest Practicable Date:



The following chart sets out our corporate structure immediately following the completion of the Global Offering (but not taking into account any H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option) and the completion of the transfer of certain Shares by LMG to the NSSF:



Assuming that the Over-allotment Option is exercised in full, our Promoters, LMG and CFC, will own 36.8% and 36.3%, respectively, of our Shares.

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## PRINCIPAL OPERATING SUBSIDIARIES AND ASSOCIATED COMPANIES

We set out below certain corporate information relating to all our principal operating subsidiaries and associated companies:

<u>Name</u>	<u>Date of incorporation</u>	<u>Equity interest holder(s) and percentage of equity interest owned</u>	<u>Principal activities</u>
Dachuan . . . . .	March 10, 2003	Company — 75%  工大智源科技發展有限公司 Gongda Zhiyuan — 25% <sup>(1)</sup>	Production of ammonium molybdate and molybdenum powder
Dadongpo . . . . .	June 2, 2003	Company — 51%  樂川縣泰峰工貿有限公司 Luanchuan County Taifeng Industry and Trading Co., Ltd. — 49% <sup>(2)</sup>	Ore processing
Jiuyang Mining . . .	May 9, 2003	Company — 51%  樂川宏基礦業有限公司 Luanchuan County Hongji Mining Co., Ltd. — 49% <sup>(3)</sup>	Ore processing
Kunyu Mining . . . .	September 27, 2006	Company — 70%  洛寧縣伏牛礦業開發中心 Luoning County Funiu Mining Development Center — 30% <sup>(4)</sup>	Production of various non-ferrous metals
Luomu Group Refining . . . . .	June 5, 2002	Company — 100%	Production of molybdenum oxide and ferromolybdenum at the Sandaozhuang Mine
Luomu Group Sales and Trading . . . .	March 27, 2001	Company — 100%	Trading of molybdenum products
Luoyang High Tech	January 14, 2005	Company — 100%	Production of molybdenum powder, tungsten powder, molybdenum products and tungsten products
Mudu Hotel . . . . .	October 11, 2006	Company — 100%	Hotel and catering
Sanqiang . . . . .	March 24, 2003	Company — 51%  樂川縣誠志礦業有限公司 Luanchuan County Chengzhi Mining Co., Ltd. — 49% <sup>(5)</sup>	Ore processing

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Name	Date of incorporation	Equity interest holder(s) and percentage of equity interest owned	Principal activities
Yuhua . . . . .	October 27, 2005	Company — 33%  上海龍宇礦業有限公司 Shanghai Longyu Mining Co., Ltd. (an Independent Third Party) — 35% <sup>(6)</sup>  北京玉華遠東國際貿易有限公司 Beijing Yuhua Far East International Trading Co., Ltd. (an Independent Third Party) — 32% <sup>(7)</sup>	Sale of metallurgical additive materials (except fuel) steel, construction materials, hardware, machinery and equipment, chemical materials and their products (except dangerous products) lubricants, heavy oil, import and export of goods and technology, business consulting
Yulu . . . . .	April 24, 2002	Company — 40%  廈門鎢業股份有限公司 Xiamen Tungsten (an Independent Third Party) — 60% <sup>(8)</sup>	Production, sale and procurement of tungsten concentrate and related products

*Notes:*

- (1) Gongda Zhiyuan was incorporated in the PRC on August 16, 2001. It is principally engaged in the business of electronic communication and intelligent design. The directors of Gongda Zhiyuan include Ho Yibin (侯義斌), Sun Dafang (孫大芳), Zhang Xiaoling (張曉凌) and two other individuals. It is owned as to 95% by Beijing University of Technology (北京工業大學) and as to 5% by Beijing Gongda Zhongyu Intelligent Design Center (北京工大中字智能工程中心). As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Gongda Zhiyuan. Gongda Zhiyuan is a shareholder of one of our subsidiaries, and apart from being such shareholder, it is not an associate of any connected person of our Company.
- (2) Luanchuan County Taifeng Industry and Trading Co., Ltd. was incorporated in the PRC on January 6, 2006. It is principally engaged in the business of trading of mineral products. Luanchuan County Taifeng Industry and Trading Co., Ltd. acquired its interest in Dadongpo from Liang Shuanglin (梁雙林), Gao Hongchang (高鴻昌) and seven other individuals. These individuals do not have any relationship with the Group. The directors of Luanchuan County Taifeng Industry and Trading Co., Ltd. are Liang Shuanglin (梁雙林), Liang Jianfeng (梁建鋒), Gao Hongchang (高鴻昌), Zhou Baogang (周保剛) and Zhu Tongjian (朱同建). The ultimate beneficial shareholders are Liang Shuanglin (梁雙林) and seven other individuals. As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Luanchuan County Taifeng Industry and Trading Co., Ltd. Luanchuan County Taifeng Industry and Trading Co., Ltd. is a shareholder of one of our subsidiaries, and apart from being such shareholder, it is not an associate of any connected person of our Company.
- (3) Luanchuan County Hongji Mining Co., Ltd. was incorporated in the PRC on March 2, 2006. It is principally engaged in the business of molybdenum and iron ore processing. Luanchuan County Hongji Mining Co., Ltd. acquired its interest in Jiuyang Mining from Yang Hongzhou (楊洪洲), Wu Xuewen (吳學文) and 9 other individuals. These individuals do not have any relationship with the Group. The directors of Luanchuan County Hongji Mining Co., Ltd. are Yang Hongzhou (楊洪洲), Wu Xuewen (吳學文) and Wang Huayou (王華友). The ultimate beneficial shareholders are Yang Hongzhou (楊洪洲) and 10 other individuals. As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Luanchuan County Hongji Mining Co., Ltd. Luanchuan County Hongji Mining Co., Ltd. is a shareholder of one of our subsidiaries, and apart from being such shareholder, it is not an associate of any connected person of our Company.



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- (4) Luoning County Funiu Mining Development Center was incorporated in the PRC on September 11, 2006. It is principally engaged in the business of trading of mineral products. It is a State-owned enterprise and its legal representative is Gao Liu (高留虎). As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Luoning County Funiu Mining Development Center. Luoning County Funiu Mining Development Center is a shareholder of one of our subsidiaries, and apart from being such shareholder, it is not an associate of any connected person of our Company.
- (5) Luanchuan County Chengzhi Mining Co., Ltd. was incorporated in the PRC on December 20, 2005. It is principally engaged in the business of trading of mineral products. Luanchuan County Chengzhi Mining Co., Ltd. acquired its interest in Sanqiang from Li Jianli (李建立), Yang Wensong (楊文松) and 27 other individuals. These individuals do not have any relationship with the Group. The directors of Luanchuan County Chengzhi Mining Co., Ltd. are Li Jianli (李建立), Yang Wensong (楊文松), Yu Chunsheng (余春生), Zhou Wentai (周文太) and Wang Wanming (王萬明). The ultimate beneficial shareholders are Li Jianli (李建立) and 28 other individuals. As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Luanchuan County Chengzhi Mining Co., Ltd. Luanchuan County Chengzhi Mining Co., Ltd. is a shareholder of one of our subsidiaries, and apart from being such shareholder, it is not an associate of any connected person of our Company.
- (6) Shanghai Longyu Mining Co., Ltd. was incorporated in the PRC on July 18, 2005. It is principally engaged in the business of production of coal and chemical products. The directors of Shanghai Longyu Mining Co., Ltd. are Chen Xuefeng (陳雪楓), Wang Xiaoyun (王孝雲), Zhang Zhensheng (張振聲), Sun Jianhua (孫建驊), Xue Zhijun (薛志俊). It is owned as to 51% by Yongcheng Coal Power Group Company Limited (永城煤電集團有限責任公司) and as to 49% by Shanghai Yunxiang Mining Products Company Limited (上海雲祥礦產品有限公司). As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Shanghai Longyu Mining Co., Ltd. Shanghai Longyu Mining Co., Ltd. is a shareholder of one of our associated companies, and apart from being such shareholder, it is not an associate of any connected person of our Company.
- (7) Beijing Yuhua Far East International Trading Co., Ltd. was incorporated in the PRC on September 7, 2005. It is principally engaged in the business of import and export. The director of Beijing Yuhua Far East International Trading Co., Ltd. is Xing Yude (邢育德). It is owned as to 74% by Xing Yude (邢育德), as to 17% by Liu Huawei (劉華偉), and as to 9% by Xing Xinyu (邢新宇). As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Beijing Yuhua Far East International Trading Co., Ltd. Beijing Yuhua Far East International Trading Co., Ltd. is a shareholder of one of our associated companies, and apart from being such shareholder, it is not an associate of any connected person of our Company.
- (8) Xiamen Tungsten was incorporated in the PRC on December 30, 1997. It is principally engaged in the business of processing and production of tungsten. Xiamen Tungsten is listed on the Shanghai Stock Exchange. The directors of Xiamen Tungsten are Liu Tonggao (劉同高), Takeshi Asai (淺井毅) and others. As at the Latest Practicable Date, the abovementioned individuals and entities do not have any relationship with our Group, save for Xiamen Tungsten. Xiamen Tungsten is a shareholder of one of our associated companies, and apart from being such shareholder, it is not an associate of any connected person of our Company.

\* Names in English are in certain cases based on translations of Chinese names.

We generally attempt to acquire as much equity ownership as possible in businesses that are critical to our business operations. For non-core investments, the percentage shareholding is determined on the basis of our assessment of the level of risk we wish to assume with respect to the relevant business, the intentions of the other investors and other relevant considerations.