
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Vanadium Titano-Magnetite Mining Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鈹磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 893)

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
(2) RE-ELECTION OF DIRECTORS,
(3) ADOPTION OF NEW SHARE OPTION SCHEME,
(4) TERMINATION OF THE OPERATION OF THE EXISTING SHARE OPTION SCHEME
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China Vanadium Titano-Magnetite Mining Company Limited, to be held at Salon 5, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 15 April 2010 at 10:00 a.m. is set out on pages 27 to 32 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to China Vanadium Titano-Magnetite Mining Company Limited's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

9 March 2010

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Salon 5, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 15 April 2010 at 10:00 a.m., or where the context so admits, any adjournment thereof
“Articles”	the memorandum and articles of association of the Company
“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business for dealing in securities
“Chief Executive(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	China Vanadium Titano-Magnetite Mining Company Limited (中國鈇鈦磁鐵礦業有限公司), an exempted company and incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company from time to time
“Eligible Person(s)”	Director(s), Chief Executive(s), Substantial Shareholder(s) or employee(s) (whether full time or part time) of any member of the Group and any persons who the Board considers, in its sole discretion, have contributed or will contribute to the development and growth of the Group
“Existing Share Option Scheme”	the existing share option scheme approved by the written resolutions of the Shareholders passed on 4 September 2009
“GEM”	The Growth Enterprise Market of the Stock Exchange

DEFINITIONS

“Grantee(s)”	any Eligible Person who accepts an Offer in accordance with the terms of the New Share Option Scheme, or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any Option in consequence of the death of the original Grantee
“Group”	means the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares of up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	3 March 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which is independent from and operated in parallel with GEM
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III of this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Person pursuant to the New Share Option Scheme
“Option(s)”	right to subscribe for Shares pursuant to the New Share Option Scheme
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option pursuant to the New Share Option Scheme
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鈹磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 893)

Executive Directors:

Mr. Jiang Zhong Ping (*Chairman*)
Mr. Liu Feng (*Chief Executive Officer*)
Mr. Wang Yun Jian (*Chief Operating Officer*)
Mr. Yu Xing Yuan (*Chief Investment Officer*)

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-Executive Directors:

Mr. Wang Jin
Mr. Zhu Xiao Lin
Mr. Teo Cheng Kwee
Mr. Devlin Paul Jason

Principal place of business

in Hong Kong:
Room 2201, 22/F
Wheelock House
20 Pedder Street
Central, Hong Kong

Independent Non-Executive Directors:

Mr. Yu Haizong
Mr. Gu Peidong
Mr. Liu Yi
Mr. Wu Wei

9 March 2010

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
(2) RE-ELECTION OF DIRECTORS,
(3) ADOPTION OF NEW SHARE OPTION SCHEME,
(4) TERMINATION OF THE OPERATION OF THE EXISTING SHARE OPTION SCHEME
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM for the approval of, *inter alia*:

- (a) the grant of the Repurchase Mandate, the Issue Mandate and the extension of the Issue Mandate to the Directors to issue new Shares and repurchase Shares;

LETTER FROM THE BOARD

- (b) the re-election of Directors;
- (c) the adoption of the New Share Option Scheme; and
- (d) the termination of the operation of the Existing Share Option Scheme.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors the Repurchase Mandate, being a fresh general mandate to the Directors to exercise the powers of the Company to repurchase, in the terms as stated in such ordinary resolution, Shares in and up to a maximum of 10% of the issued share capital of the Company at the date of passing of such ordinary resolution.

In addition, two ordinary resolutions will be proposed at the AGM, (1) to grant to the Directors the Issue Mandate, being a general mandate to allot, issue and deal with additional Shares in and up to a maximum of 20% of the issued share capital of the Company as at the date of passing of such resolution; and (2) to extend the limit under the Issue Mandate if granted to the Directors the number of Shares representing the number of the Shares which may be repurchased by the Company under the Repurchase Mandate.

As at the Latest Practicable Date, a total of 2,075,000,000 Shares were in issue. Subject to the passing of the proposed ordinary resolution approving the Issue Mandate and assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the date of passing the abovementioned resolution in respect of the Issue Mandate, the maximum number of Shares that may be issued by the Directors pursuant to the Issue Mandate is 415,000,000 Shares.

EXPLANATORY STATEMENT

An explanatory statement, as required under the Listing Rules, regarding the repurchase by companies with primary listings on the Stock Exchange of their own securities to provide the requisite information on the Repurchase Mandate, is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with articles 84(1) and 84(2) of the Articles, Messrs. Wu Wei and Gu Peidong will retire at the forthcoming AGM. Further, pursuant to article 83(3) of the Articles, Messrs. Jiang Zhong Ping, Liu Feng, Wang Yun Jian, Yu Xing Yuan, Wang Jin, Zhu Xiao Lin, Teo Cheng Kwee and Devlin Paul Jason will retire at the forthcoming AGM. Messrs. Wang Yun Jian, Zhu Xiao Lin and Wu Wei have decided not to stand for re-election.

There is no disagreement between each of Messrs. Wang Yun Jian, Zhu Xiao Lin and Wu Wei and the Board and there is no matter which needs to be brought to the attention of the Shareholders. The other retiring Directors, being eligible, will offer themselves for re-election at the forthcoming AGM.

Information on the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE OPERATION OF THE EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on 4 September 2009. As at the Latest Practicable Date, the Company has not adopted any share option scheme other than the Existing Share Option Scheme.

It is proposed to adopt the New Share Option Scheme and simultaneously terminate the operation of the Existing Share Option Scheme at the AGM (such that no further options can thereafter be offered under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect). The purposes of the New Share Option Scheme are (i) to broaden the scope of Eligible Persons to include all Substantial Shareholders of the Company and any persons whom the Board considers to have contributed to the development and growth of the Company; (ii) to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Company; and (iii) to enable the Group to recruit and retain high-calibre employees.

The terms of the New Share Option Scheme provide that in granting Options, the Board may offer to grant any Option subject to such terms and conditions in relation to the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also determine the Subscription Price in respect of any Option. By setting such performance targets and the Subscription Price, the relevant Grantee will have to work towards meeting these standards thereby contributing to the growth of the Group. This serves the purpose of the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the Subscription Price, Option period, any lock-up period, any performance targets set and other relevant variables.

A summary of the principal terms of the proposed New Share Option Scheme is set out in Appendix III to this circular.

The New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders at the AGM and to authorise the Board to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued by the Company pursuant to the exercise of the Options which may be granted under the New Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 2,075,000,000 Shares in issue and the Board has granted options pursuant to the Existing Share Option Scheme to subscribe for a total of 27,200,000 Shares, representing approximately 1.31% of the issued share capital of the Company. No options have been exercised or cancelled under the Existing Share Option Scheme since its adoption by the Shareholders.

Assuming that there is no change in the issued share capital of the Company after the Latest Practicable Date and up to the date of the adoption of the New Share Option Scheme, the number of Shares issuable pursuant to the New Share Option Scheme and any other schemes under the scheme limit prescribed in Note 1 of Rule 17.03(3) of the Listing Rules will be 207,500,000 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme.

ANNUAL GENERAL MEETING

Set out on pages 27 to 32 of this circular is a notice convening the AGM to consider and, if appropriate, to approve the resolutions relating to, among other things, the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of Directors, the adoption of the New Share Option Scheme and the termination of the operation of the Existing Share Option Scheme.

As one of the purposes of the New Share Option Scheme is to broaden the scope of Eligible Persons to include all Substantial Shareholders of the Company whom the Board considers to have contributed to the Company, Trisonic International Limited, Kingston Grand Limited, Mr. Wang Jin, Mr. Yang Xianlu, Mr. Wu Wendong, Mr. Li Hesheng, Mr. Shi Yinjun, Mr. Zhang Yuangui and Sapphire Corporation Limited as Substantial Shareholders of the Company are required to abstain from voting on the resolution relating to the adoption of the New Share Option Scheme at the AGM.

A form of proxy for use at the AGM is enclosed. If you are not able to attend at the AGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of poll by the Shareholders.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers that the grant of the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of Directors, the adoption of the New Share Option Scheme and the termination of the operation of the Existing Share Option Scheme are all in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

ADDITIONAL INFORMATION

A copy of the New Share Option Scheme will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the principal place of business of the Company in Hong Kong at Room 2201, 22/F, Wheelock House, 20 Pedder Street, Central, Hong Kong from the date of this circular until the date of the AGM.

The Company will publish an announcement on the outcome of the AGM on the business day following the date of the AGM.

Your attention is also drawn to the additional information set out in the Appendices to this circular.

RESPONSIBILITY OF DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

Yours faithfully,

For and on behalf of the Board of

China Vanadium Titano-Magnetite Mining Company Limited

Jiang Zhong Ping

Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 2,075,000,000 Shares. Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares will be issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 207,500,000 Shares, representing 10% of the issued share capital of the Company as at the date of the resolution granting the Repurchase Mandate.

SHARE PRICES

From October 2009 (the month in which the Shares were listed on the Stock Exchange) to the Latest Practicable Date, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
October	4.16	3.25
November	5.20	3.90
December	5.36	4.37
2010		
January	5.70	4.13
February	4.74	4.05
March (up to the Latest Practicable Date)	4.50	4.20

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases of Shares by the Company must be made out of funds which are legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

The Company shall not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Subject to the above, any repurchase of the Shares by the Company may be made out of profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or subject to Cayman Islands Companies Law, out of capital provided that on the day immediately following the date of repurchase of the Shares, the Company is able to pay its debts as they fall due in the ordinary course of business.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2009) in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as this would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DIRECTORS' DEALING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

A repurchase of Shares may result in an increase in the proportionate interests of a Shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Trisonic International Limited, being a Substantial Shareholder of the Company was beneficially interested in 1,193,400,000 Shares representing approximately 57.51% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held by Trisonic International Limited and there is no other change to the issued share capital of the Company, the shareholdings of Trisonic International Limited in the Company will be increased to approximately 63.90%. Based on the information known to date, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchase to be made under the Repurchase Mandate. Nevertheless, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Takeovers Code.

The Directors have no present intention to repurchase Shares to such extent which will result in the amount of Shares held by the public being reduced to less than 25% of the total issued share capital of the Company or such other minimum percentage as prescribed by the Listing Rules from time to time.

SHARE REPURCHASE MADE BY THE COMPANY

From October 2009 (the month in which the Shares were listed on the Stock Exchange) to the Latest Practicable Date, no purchases of Shares have been made by the Company whether on the Stock Exchange or otherwise.

CONNECTED PERSONS

No connected person (as defined in the Listing Rules) of the Company has notified the Company of a present intention to sell Shares to the Company nor has any such person undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is granted.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. Jiang Zhong Ping (“Mr. Jiang”), aged 44, is an executive Director and the chairman of the Company. Mr. Jiang is primarily responsible for the overall management and strategic planning and business development of the Group. Mr. Jiang joined the Group in March 2008 as a director of Huili County Caitong Iron and Titanium Co. Ltd. (“Huili Caitong”) (會理縣財通鐵鈦有限責任公司). Mr. Jiang has over 19 years of experience in production and quality control in the steel industry. Mr. Jiang was a technician, head of quality control department and the chief manager of the audit department of Sichuan Chuanwei Group Co., Ltd. (“Chuan Wei”) (四川省川威集團有限公司) from August 1989 to April 2008. Mr. Jiang graduated from Chongqing Steel and Iron College (重慶鋼鐵專科學校) in Chongqing in July 1989 with a college degree in iron and steel rolling.

Save as disclosed above, Mr. Jiang did not hold any directorship in other publicly listed companies in the last three years.

Mr. Jiang entered into a service contract with the Company for an initial term of two years commencing from 8 October 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and is subject to termination by either party giving not less than three months’ written notice. Mr. Jiang is entitled to an annual emolument of RMB350,000 as basic remuneration and RMB150,000 as performance based remuneration. Such remuneration is determined and adjustable by the Board with reference to his duties and responsibilities and subject to review from time to time.

As at the Latest Practicable Date, Mr. Jiang is interested in 3,000,000 underlying Shares in respect of share options granted to Mr. Jiang pursuant to the Existing Share Option Scheme.

Mr. Jiang does not have any relationship with other Directors, senior management, Substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Jiang that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Liu Feng (“Mr. Liu”), aged 41, is an executive Director and the chief executive officer of the Company. Mr. Liu is primarily responsible for the management of daily operations and development of the operations of the Group. Mr. Liu joined the Group in December 2004 as vice general manager of Huili Caitong. Mr. Liu has over 20 years of experience in civil engineering, quality control and technology applications in the steel industry. Mr. Liu was a technician, deputy head of civil engineering department, and deputy general managers of a number of subsidiaries of Chuan Wei from August 1988 to October 2005. Mr. Liu is responsible for the management of the Baicao vanadium-bearing titano-magnetite mine and the ore processing plant in Xiaoheiqing Townlet, Huili County, Sichuan. Mr. Liu graduated from Chongqing Architecture University (重慶建築大學) in Chongqing in December 1996 with a college degree in construction engineering.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Save as disclosed above, Mr. Liu did not hold any directorship in other publicly listed companies in the last three years.

Mr. Liu entered into a service contract with the Company for an initial term of two years commencing from 8 October 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and is subject to termination by either party giving not less than three months' written notice. Mr. Liu is entitled to an annual emolument of RMB280,000 as basic remuneration and RMB120,000 as performance based remuneration. Such remuneration is determined and adjustable by the Board with reference to his duties and responsibilities and subject to review from time to time.

As at the Latest Practicable Date, Mr. Liu is interested in 4,000,000 underlying Shares in respect of share options granted to Mr. Liu pursuant to the Existing Share Option Scheme.

Mr. Liu does not have any relationship with other Directors, senior management, Substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Yu Xing Yuan (“Mr. Yu”), aged 40, is an executive Director and the chief investment officer of the Company. Mr. Yu is primarily responsible for the business development of the Group. Mr. Yu joined the Group in October 2004 as a director of Huili Caitong. Mr. Yu has 15 years of experience in steel production, technology applications and operations management in the steel industry. Mr. Yu was a technician, technical chief and the head of technical development department of Chuan Wei from August 1992 to September 2003. Mr. Yu graduated from Northeast Industrial Institute (東北工學院) in Shenyang, Liaoning in July 1992 with a bachelor's degree in mining engineering. Mr. Yu received a master's degree from Chongqing University (重慶大學) in Chongqing in December 2004 in metallurgy engineering.

Save as disclosed above, Mr. Yu did not hold any directorship in other publicly listed companies in the last three years.

Mr. Yu entered into a service contract with the Company for an initial term of two years commencing from 8 October 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and is subject to termination by either party giving not less than three months' written notice. Mr. Yu is entitled to an annual emolument of RMB350,000 as basic remuneration and RMB150,000 as performance based remuneration. Such remuneration is determined and adjustable by the Board with reference to his duties and responsibilities and subject to review from time to time.

As at the Latest Practicable Date, Mr. Yu is interested in 7,000,000 underlying Shares in respect of share options granted to Mr. Yu pursuant to the Existing Share Option Scheme.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. Yu does not have any relationship with other Directors, senior management, Substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Yu that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Wang Jin (“**Mr. Wang**”), aged 47, is a non-executive Director of the Company. Mr. Wang is the chairman and chief executive officer of Chuan Wei. Mr. Wang joined the Group in April 2008 as a Director of the Company. Mr. Wang obtained the qualification of senior economist (高級經濟師) from Sichuan Province Professional Title Reform Leading Group (四川省職稱改革領導小組), a PRC governmental authority in April 2000. Mr. Wang has accumulated over 20 years of experience in steel production, raw material procurement and operations management in the steel industry. Mr. Wang joined Chuan Wei in September 1987 and was promoted to the chairman of Chuan Wei in May 1998. Mr. Wang has been a director of the Atlantic China Welding Consumables, INC. (四川大西洋焊接材料股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600558), since September 1999. Mr. Wang graduated from Chongqing University (重慶大學) in Chongqing in July 1987 with a bachelor’s degree in viscous pressure. Mr. Wang received a master’s degree in industrial engineering from Chongqing University (重慶大學) in Chongqing in December 2002. He served as a deputy to the 10th National People’s Congress (第十屆全國人大代表) from March 2003 to March 2008 and he is currently serving as a deputy to the 11th National People Congress (第十一屆全國人大代表). He is also currently the director of the China Confederation of the Iron and Steel Industry (中國鋼鐵工業聯合會常務理事), the vice-chairman of the Sichuan Chamber of Commerce (四川省商會副會長), and the vice-chairman of the Sichuan Enterprise Confederation and Sichuan Entrepreneur Association (四川省企業聯合會暨企業家協會副會長).

Mr. Wang is also a non-independent and non-executive director of Sapphire Corporation Limited, a company listed in Singapore.

Save as disclosed above, Mr. Wang did not hold any directorship in other publicly listed companies in the last three years.

Mr. Wang entered into a letter of appointment with the Company for an initial term of two years commencing from 8 October 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. Wang Jin is entitled to an annual emolument of HK\$150,000, which is determined and adjustable by the Board with reference to his duties and responsibilities and subject to review from time to time.

As at the Latest Practicable Date, Mr. Wang, through Trisonic International Limited, was indirectly interested in 1,193,400,000 Shares within the meaning of Part XV of the SFO.

Mr. Wang is a director of Trisonic International Limited and Kingston Grand Limited, both companies being controlling shareholders of the Company.

**APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED
AT THE ANNUAL GENERAL MEETING**

Save as disclosed above, Mr. Wang does not have any relationship with other Directors, senior management, Substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Teo Cheng Kwee (“Mr. Teo”), aged 57, is a non-executive Director of the Company. He joined the Group in July 2008 as a Director of the Company. Mr. Teo has over 30 years of experience in the building and construction industry. Mr. Teo is the chief executive officer and founder of Sapphire Corporation Limited, a company listed on the Singapore Exchange Limited (Ticker symbol: 589.SI). He was appointed to the board of Sapphire Corporation Limited since November 26, 1985. Mr. Teo graduated from Thomson Secondary School (德新中學) in Singapore in 1971.

Save as disclosed above, Mr. Teo did not hold any directorship in other publicly listed companies in the last three years.

Mr. Teo entered into a letter of appointment with the Company for an initial term of two years commencing from 8 October 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. Teo is entitled to an annual emolument of HK\$120,000, which is determined and adjustable by the Board with reference to his duties and responsibilities and subject to review from time to time.

As at the Latest Practicable Date, Mr. Teo did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Teo is a director of Trisonic International Limited and Kingston Grand Limited, both companies being controlling shareholders of the Company.

Save as disclosed above, Mr. Teo does not have any relationship with other Directors, senior management, Substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Teo that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Devlin Paul Jason (“Mr. Devlin”), aged 40, is a non-executive Director of the Company. He was appointed by Green Globe Investments Limited as a Director of the Company since July 2008. Mr. Devlin has experience in the investment finance field. He was the first vice-president, head of Central bank Sales of Asia Painewebber International (Singapore) Pte. Ltd., an investment firm. Mr. Devlin has been the managing director of Sky Mountain Capital Management Limited, a private equity management firm since 20 September

**APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED
AT THE ANNUAL GENERAL MEETING**

2007. Mr. Devlin has been a full member of the Institute of Directors in London since September 2008. Mr. Devlin graduated from Victoria University in Manchester, UK in 1992 with a bachelor of arts in economic and social studies and the University of Chicago Graduate School of Business in Chicago, USA with a Master of Business Administration degree in 2003.

Save as disclosed above, Mr. Devlin did not hold any directorship in other publicly listed companies in the last three years.

Mr. Devlin entered into a letter of appointment with the Company for an initial term of two years commencing from 8 October 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. Devlin is entitled to an annual emolument of HK\$120,000, which is determined and adjustable by the Board with reference to his duties and responsibilities and subject to review from time to time.

As at the Latest Practicable Date, Mr. Devlin did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Devlin does not have any relationship with other Directors, senior management, Substantial Shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Devlin that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Gu Peidong (“Mr. Gu”), aged 53, is an independent non-executive Director of the Company since 4 September 2009. Mr. Gu was a PRC qualified lawyer. Mr. Gu was a commissioner of the Lawyer Notarization Expert Advisory Committee of the PRC Ministry of Justice (司法部律師公證專家諮詢委員會), an adviser to the Science and Technology Advisory Group of Sichuan (四川省科技顧問團), a commissioner of the Expert Advisory Committee of the People’s Procuratorate of Sichuan (中國國際貿易仲裁委員會) and an arbitrator of the China International Economic and Trade Arbitration Commission. Mr. Gu was a teacher in Southwest University of Political Science and Law (西南政法大學) in Chongqing from 1984 to 1987. Mr. Gu was a director of the Graduate School of Development and Reform of the Sichuan Systems Reform Commission (四川省發展與改革研究所) from 1987 to 1995 and a secretary general of the Sichuan Systems Reform Commission (四川省發展與改革委員會). In 1995, Mr. Gu established his own law firm Sichuan Zhongwei Law Firm (四川中維律師事務所). Mr. Gu was a professor and doctoral supervisor at Southwest University of Political Science and Law (西南政法大學) in Chongqing in 2003 and is currently a professor and doctoral supervisor at Sichuan University (四川大學). Mr. Gu received a bachelor’s degree in civil litigation law from Southwest University of Political Science and Law (西南政法大學) in Chongqing in December 1981 and a master’s degree in law in January 1985.

Save as disclosed above, Mr. Gu did not hold any directorship in other publicly listed companies in the last three years.

The following is a summary of the principal terms of the New Share Option Scheme:

(a) Purpose

The purpose of the New Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Company and to enable the Group to recruit and retain high-calibre employees.

(b) Who may join

The Board may, at its discretion, offer the Eligible Persons a right to subscribe for such number of Shares as the Board may determine at the Subscription Price determined in accordance with paragraph (f) below.

(c) Maximum number of Shares

- (i) The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the New Share Option Scheme or any other share option schemes of the Group where such grant may result in the number of Shares which may be granted to exceed such maximum.
- (ii) The aggregate number of Shares which may be issued upon exercise of all Options to be granted under all schemes adopted by the Company as at the Latest Practicable Date must not in aggregate exceed 207,500,000 Shares, being 10% of the total number of Shares in issue on the adoption date of the New Share Option Scheme (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- (iii) Subject to (i) above and without prejudice to (iv) below, the Company may seek the approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit. However, the total number of Shares which may be issued upon exercise of all outstanding options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as of the date of approval of the refreshed limit. Options previously granted under all schemes adopted by the Company as at the Latest Practicable Date (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The Company will send a circular to the Shareholders in compliance with the relevant provisions of Chapter 17 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules.

- (iv) Subject to (i) above and without prejudice to (iii) above, the Company may seek the separate approval of the Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided that the options in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought. The Company will issue a circular to the Shareholders in compliance with the relevant provisions of Chapter 17 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules.

(d) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted and to be granted and any other share option schemes of the Company (including exercised, cancelled and outstanding options) to each Eligible Person, in any 12 months up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Eligible Person and his associates abstaining from voting and other requirements prescribed under the Listing Rules from time to time.

(e) Grant of options to connected persons

Any grant of options to a Director, Chief Executive or to a Substantial Shareholder or any of their respective associates is required to be approved by the independent non-executive Directors (excluding independent non-executive Directors who are the Grantees of the options). Where any grant of Options to a Substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12 months up to and including the date of the offer of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue on the date of the offer; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares as quoted on the Stock Exchange at the date of such grant, such further grant of Options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting at which all connected persons of the Company shall abstain from voting in favor at such meeting and other requirements prescribed under the Listing Rules from time to time.

(f) Subscription Price for the Shares

The Subscription Price of a Share in respect of any Option shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the nominal value of the Shares; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the date of grant of the Option; and (iii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option (which must be a Business Day). A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an Option.

(g) Restrictions on the time of grant of Options

An offer to grant an Option may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, during the periods or times in which Directors or other relevant employees are prohibited from dealing in Shares pursuant to Appendix 10 of the Listing Rules or any other corresponding code or securities dealings restrictions on the Company, no Options may be granted.

(h) Rights are personal to Grantees

An Option is personal to a Grantee and shall not be assignable nor transferable, and the Grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any Option.

(i) Time of exercise of Option

There is no general requirement that an Option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its absolute discretion any such minimum period at the time of grant of any particular Option. Upon acceptance, the date of grant of any particular Option is deemed to have taken effect from the date on which an offer is made. An Option may be exercised according to the terms of the New Share Option Scheme and the offer in whole or in part by the Grantee (or his personal representatives) before its expiry giving notice in writing to the Company stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given. The period during which an Option may be exercised will be determined by the Board at its absolute discretion, save that no Option may be exercised more than ten years from the date of grant. No Option may be granted more than ten years after the date of approval of the New Share Option Scheme. Subject to earlier termination in accordance with the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption of the New Share Option Scheme by the Shareholders.

(j) Minimum period of holding an option and performance target

The Board may, at its absolute discretion, specify (A) any minimum period in respect of which an Option must be held; (B) any performance targets that must be achieved; and (C) any other conditions that must be fulfilled before the options can be exercised upon the grant of an Option to an Eligible Person.

(k) Rights on ceasing to be an Eligible Person

In the event of a Grantee ceasing to be an Eligible Person for any reason other than (1) by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty; or (2) by death, the Option may be exercised within one month after the date of such cessation, which date shall be (i) if he is an employee of any member of the Group, his last actual working day with such member of the Group whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of any member of the Group, the date on which the relationship constituting him an Eligible Person ceases.

(l) Rights on death

In the event that a Grantee of an outstanding option dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to (n), (o), (p) or (q), by his personal representatives within twelve months after the date of his death.

(m) Lapse of option on misconduct, bankruptcy or dismissal

If a Grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty, the right to exercise the Option (to the extent not already exercised) shall terminate immediately.

(n) Rights on general offer by way of a takeover

If a general offer by way of a takeover is made to all of the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) and such offer becomes or is declared unconditional, the Grantee (or his personal representatives) may by notice in writing to the Company within 21 days of such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice.

(o) Rights on general offer by way of a scheme of arrangement

If a general offer by way of a scheme of arrangement is made to all of the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice.

(p) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it dispatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(q) Rights on winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the grantee credited as fully paid.

(r) Lapse of the options

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (i) the expiry of the period the Options may be exercised;
- (ii) the expiry of any of the periods referred to in paragraph (k), (l) or (n);
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (o);
- (iv) the date upon the compromise or arrangement becoming effective referred to in paragraph (p);
- (v) the date on which the Grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangement or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty;
- (vi) subject to paragraph (q), the date of the commencement of the voluntary winding-up of the Company;
- (vii) the date on which the Grantee commits a breach of paragraph (h); or
- (viii) the date on which the Option is cancelled by the Board as provided in paragraph (v).

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph (r).

(s) Ranking of Shares

The Shares to be allotted upon the exercise of an Option shall be subject to the Articles for the time being in force and shall rank *pari passu* in all respects with fully-paid Shares in issue as of the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment.

(t) Effect of alterations to share capital

In the event of any alteration to the capital structure of the Company arising from capitalization of profits or reserves, a rights issue, consolidation, subdivision or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, the following adjustment (if necessary) shall be made to the Options which remains exercisable:

- (i) the number or nominal amount of Shares subject to the option so far as unexercised; and/or
- (ii) the Subscription Price for the Shares subject to the Option so far as unexercised;

as the auditors or the independent financial adviser to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in compliance with Rules 17.03(13) of the Listing Rules and the notes thereto.

Any such adjustments must give a Grantee the same proportion of the equity capital of the Company as to which that grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes) but no such alterations shall be made the effect of which would result in a Share being issued at less than its nominal value. The capacity of the auditors or the independent financial adviser to the Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

(u) Alteration of the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme as to:

- (i) the definition of “Eligible Person” and “Grantee” in the New Share Option Scheme; and
- (ii) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective associates abstaining from voting). No such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the grantees as would be required of the Shareholders under the Company’s Articles for a variation of the rights attached to the Shares. Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

Any alteration to the provisions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme.

(v) Cancellation of Options granted

The Board may cancel an Option granted but not exercised with the approval of the Grantee of such Option.

No options may be granted to an Eligible Person in place of his cancelled Options unless there are available unissued Options (excluding the cancelled options) within the limits set out in paragraph (c) above from time to time.

(w) Termination of the New Share Option Scheme

The Company may by resolution in a general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(x) Conditions of the New Share Option Scheme

The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders at the AGM and to authorise the Board to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares to be issued by the Company pursuant to the exercise of the Options which may be granted under the New Share Option Scheme.

(y) Disclosure in annual and interim reports

The Company will disclose details of the New Share Option Scheme in its annual and interim reports including the number of Options, date of grant, Subscription Price, exercise period, vesting period and a valuation of Options granted during the financial year/period (if appropriate) and any other information required under and in accordance with the Listing Rules in force from time to time.

(z) Present status of the New Share Option Scheme

As of the date of this circular, no Option has been granted or agreed to be granted. Application will be made to the Listing Committee of the Stock Exchange for the Listing and permission to deal in the Shares which may fall to be issued pursuant to the exercise of the Options which may be granted under the New Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鉍磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 893)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Vanadium Titano-Magnetite Mining Company Limited (the “**Company**”) will be held at Salon 5, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 15 April 2010 at 10:00 a.m. for the following purposes:

As Ordinary Business

1. To consider and adopt the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2009, the Directors’ Report and Independent Auditors’ Report;
2.
 - (a) To re-elect Mr. Jiang Zhong Ping as an executive director of the Company (“**Director**”);
 - (b) To re-elect Mr. Liu Feng as an executive Director;
 - (c) To re-elect Mr. Yu Xing Yuan as an executive Director;
 - (d) To re-elect Mr. Wang Jin as a non-executive Director;
 - (e) To re-elect Mr. Teo Cheng Kwee as a non-executive Director;
 - (f) To re-elect Mr. Devlin Paul Jason as a non-executive Director;
 - (g) To re-elect Mr. Gu Peidong as an independent non-executive Director;
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration for the year ending 31 December 2010;
4. To re-appoint the auditors and to authorise the Board to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and if thought fit, pass with or without amendment(s), the following resolution as an ordinary resolution:

“THAT:

- (a) subject to sub-paragraph (c) of this Resolution, pursuant to the Rules (the **“Listing Rules”**) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) as amended from time to time, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the **“Shares”**) and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in sub-paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares; or (iii) the exercise of any options granted under the share option scheme of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of the dividend on Shares in accordance with the memorandum and articles of Association of the Company (**“Articles”**) shall not exceed 20% of the issued share capital of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws and regulations of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority set out in this resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

- 6. To consider and, if thought fit, pass with or without amendment(s) the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to sub-paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on the Stock Exchange or any other exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Repurchases (the “**Recognised Stock Exchange**”) subject to and in accordance with all applicable laws and the requirements of the Listing Rules or that of any other Recognised Stock Exchange, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be purchased by the Company pursuant to the approval in sub-paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the issued share capital of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws and regulations of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority set out in this resolution is revoked or varied by the passing of an ordinary resolution of the Shareholders in general meeting.”

7. To consider and, if thought fit, pass with or without amendment(s) the following resolution as an ordinary resolution:

“**THAT** conditional upon resolutions 5 and 6 set out in the notice convening this meeting of which this resolution forms part being passed, the aggregate number of Shares which may be repurchased by the Company after the date of the passing of this resolution (up to a maximum of 10% of the issued share capital of the Company as stated in resolution 6 set out in the notice convening this meeting of which this resolution forms part) shall be added to the number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors under the authority granted pursuant to resolution 5 set out in the notice convening this meeting of which this resolution forms part.”

As Special Business

ORDINARY RESOLUTIONS

8. To consider and, if thought fit, pass with or without amendment(s) the following resolution as an ordinary resolution:

“**THAT** conditional on the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the share option scheme (a copy of which is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted by the Company and the Directors be and are hereby authorized to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder and to take such steps and do such acts and to enter into such transactions, arrangements or agreements as may be necessary or expedient in order to implement and give full effect to the New Share Option Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass with or without amendment(s) the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the passing of resolution 8 set out in the notice convening this meeting of which this resolution forms part and the condition referred to therein being satisfied or fulfilled, the operation of the existing share option scheme of the Company adopted on 4 September 2009 (the “**Existing Share Option Scheme**”) be hereby terminated with effect from the date of adoption of the New Share Option Scheme (such that no further options shall thereafter be offered under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect).”

By Order of the Board
**China Vanadium Titano-Magnetite
Mining Company Limited**
Jiang Zhong Ping
Chairman

Hong Kong, 9 March 2010

The Directors as at the date of this notice are:

Executive Directors:

Mr. Jiang Zhong Ping (*Chairman*)
Mr. Liu Feng (*Chief Executive Officer*)
Mr. Wang Yun Jian (*Chief Operating Officer*)
Mr. Yu Xing Yuan (*Chief Investment Officer*)

Non-Executive Directors:

Mr. Wang Jin
Mr. Zhu Xiao Lin
Mr. Teo Cheng Kwee
Mr. Devlin Paul Jason

Independent Non-Executive Directors:

Mr. Yu Haizong
Mr. Gu Peidong
Mr. Liu Yi
Mr. Wu Wei

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any Shareholder entitled to attend and vote at the annual general meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder.
- (2) In order to be valid, a form of proxy and the power of attorney (if any) or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (3) Delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
- (4) In the case of joint registered holders of any Share, any one of such joint registered holders may vote at the meeting, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the meeting, the vote of the senior who tenders a vote either personally or by proxy shall be accepted to the exclusion of the votes of the other joint registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (5) With respect to resolution numbered 2 of this notice, Messrs. Jiang Zhong Ping, Liu Feng, Yu Xing Yuan, Wang Jin, Teo Cheng Kwee, Devlin Paul Jason and Gu Peidong shall retire and, being eligible, offer themselves for re-election. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 9 March 2010.