

**The Group's Chairman – Mr. Duan Yongji  
visited the Premier of The Republic of Yemen,  
acquired 3 mineral exploration licenses in Yemen**

On 8 July 2007, the Group's Chairman - Mr. Duan Yongji ("Chairman Duan") and the counsellors of Commercial Department of Chinese Embassy in Yemen, Mr. Yu Zirong ("Mr. Yu") and Mr. Wang Mingyi ("Mr. Wang"), visited the Premier of The Republic of Yemen – Mr. Ali Mohammed Mujawar ("the Premier"). They reported to the Premier the intent of the business trip of Stone's delegates and also listened to his view on the economic development of his country in the future. The Premier expressed his welcome to Chinese enterprises to explore mineral resources in Yemen. He reiterated that, for some time, mining industry will only be opened to enterprises from China.

Subsequently, witnessed by Mr. Yu and Mr. Wang, Chairman Duan, representing Stone Resources Limited, a company which is beneficially owned as to 16.67%, 20.00% and 63.33% by the Group, Chairman Duan and other six independent shareholders ("Stone Resources") and Dr. Ismail N. Al-Ganad, the head of Geological Survey & Mineral Resources Board which represents the Ministry of Oil and Minerals of the Republic of Yemen, signed formal agreements relating to mineral exploration and development in Yemen. According to the agreements, Stone Resources were granted 3 mineral exploration licenses by the Government of Yemen including: firstly, a gold, copper and nickel mine located in Al-Hamurah area in west Yemen; secondly, a gold and copper mine located in AL-Malagy Area in south Yemen; thirdly, a lead and zinc ore mine in Rama Area in mid-south part of Yemen. The acquisition of these 3 mineral exploration licenses was in addition to the mineral exploration license of zinc and lead obtained by Stone Resources this year in Tabaq of Yemen.

In future, the Group will through Stone Resources steadily proceed with its mineral exploration business in Yemen, at the same time, the Group will also participate in the construction of the infrastructure of Yemen in order to contribute to the economic development of Yemen and strengthen the traditional friendship between China and Yemen.