

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this document, received from Vigers Appraisal and Consulting Limited, an independent valuer, in connection with its valuation as of 31 March 2009 of the property interests of the Group.

Vigers Appraisal and Consulting Limited
International Property Consultants
10th Floor, The Grande Building
398 Kwun Tong Road
Kowloon
Hong Kong



[●] 2009

The Directors
China Metal Recycling (Holdings) Limited
Unit No. 4803 on 48/F
Office Tower of Convention Plaza
No. 1 Harbour Road
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value the property interests held by China Metal Recycling (Holdings) Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) in the People’s Republic of China (the “PRC”), the Hong Kong Special Administrative Region of the PRC (“Hong Kong”) and the Macau Special Administrative Region of the PRC (“Macau”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interests as at 31 March 2009 (the “date of valuation”) for the purpose of incorporation into the document.

Our valuation is our opinion of the market value of the property interests which we would define market value as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the property interests in Groups I and II except Property 5, we have valued the properties by the direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

APPENDIX V**PROPERTY VALUATION**

In valuing Property 5 in Group II, it has been valued on the basis of capitalisation of net rental income currently derived from the existing tenancy having taken into account the reversionary income potential of the property.

For property interests in Groups III, IV and V which are rented by the Group in the PRC, Hong Kong and Macau, we have assigned no commercial value to them mainly due to the prohibition against assignment or sub-letting, the lack of substantial profit rents or the short term nature of such interests.

Our valuation has been made on the assumption that the owner sells the property interests on the open market in their existing state without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interests. In addition, no forced sale situation in any manner is assumed in our valuation.

We have not caused title searches to be made for the property interests at the relevant government bureau in the PRC and Macau. For the property interests in Hong Kong, we have caused searches to be made at the Land Registry. We have been provided with certain extracts of title documents relating to the property interests in the PRC and Macau. However, we have not inspected the original documents to verify the ownership, encumbrances or existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interests in the PRC, we have relied on the legal opinions provided by the Group’s PRC legal advisers, Jun He Law Offices.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us by the Group on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the property and other relevant matters. We have also been advised by the Group that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only. All dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the properties are free from defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

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Our valuation is prepared in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all money amounts stated are in Hong Kong Dollars (HK\$). The exchange rate used in valuing the property in the PRC as at 31 March 2009 was HK\$1=RMB0.8817. There has been no significant fluctuation in the exchange rate for Renminbi (RMB) against Hong Kong Dollars between that date and the date of this letter.

We enclose herewith a summary of our valuations and valuation certificates.

Yours faithfully,
For and on behalf of
Vigers Appraisal and Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor
MRICS MHKIS MSc(e-com)
Managing Director

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over twenty years' experience in undertaking valuations of properties in Hong Kong and has over thirteen years' experience in valuations of properties in the PRC, Macau and Taiwan.

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SUMMARY OF VALUATION

Property	Market Value in existing state as at 31 March 2009	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 31 March 2009
Group I — Property interests owned and occupied by the Group in the PRC			
1. An industrial complex located at Ximentan, Miaotou Village, Nangang Town, Huangpu District, Guangzhou, Guangdong Province, The PRC.	RMB27,000,000 (equivalent to HK\$30,620,000)	75%	RMB20,250,000 (equivalent to HK\$22,970,000)
2. A parcel of land located at Zi Ya Environment Protection Industrial Park, Ziwang Road West and Tianhuan Road South, Jinghai County, Tianjin, The PRC.	RMB3,000,000 (equivalent to HK\$3,400,000)	90.385%	RMB2,710,000 (equivalent to HK\$3,070,000)
3. A parcel of land located at Donglai Village, Xilaiqiao Town, Yangzhong City, Jiangsu Province, The PRC.	RMB40,300,000 (equivalent to HK\$45,710,000)	100%	RMB40,300,000 (equivalent to HK\$45,710,000)
4. A parcel of land located at Zi Ya Environment Protection Industrial Park, Zixing Road West, Jinghai County, Tianjin, The PRC.	RMB28,300,000 (equivalent to HK\$32,100,000)	90.385%	RMB25,580,000 (equivalent to HK\$29,010,000)
Sub-total:	RMB98,600,000 (equivalent to HK\$111,830,000)		RMB88,840,000 (equivalent to HK\$100,760,000)

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Property	Market Value in existing state as at 31 March 2009	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 31 March 2009
Group II — Property interests owned by the Group in Hong Kong			
5. Unit 1 on 16th Floor, “118 Connaught Road West”, No.118 Connaught Road West, Sai Ying Pun, Hong Kong.	HK\$9,000,000	100%	HK\$9,000,000
6. Car Parking Space No.358 on 3/F, “118 Connaught Road West”, No.118 Connaught Road West, Sai Ying Pun, Hong Kong.	HK\$700,000	100%	HK\$700,000
Sub-total:	HK\$9,700,000		HK\$9,700,000
Group III — Property interests rented and occupied by the Group in the PRC			
7. No.1 Guangjiang Road, Huangpu District, Guangzhou, Guangdong Province, The PRC.	No commercial value	75%	Nil
8. No.148 Pangang Road South, Gang District, Jingang Town, Zhangjiagang City, Jiangsu Province, The PRC.	No commercial value	70%	Nil
9. An office on 15/F, Asia Steel Building, No.3401 Huangpu Road East, Huangpu District, Guangzhou, Guangdong Province, The PRC.	No commercial value	75%	Nil

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Property	Market Value in existing state as at 31 March 2009	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 31 March 2009
10. An office on 11/F, No.111 Yangzi Road Central, Yangzhong City, Jiangsu Province, The PRC.	No commercial value	100%	Nil
11. Two parcels of land located at Hou Hai Tang, Zhen Hai Zhao Bao Shan Jie Dao, Ningbo, Zhejiang Province, The PRC.	No commercial value	100%	Nil
12. Unit Nos. 1807 and 1808 on 18/F, 信達廣場 (Centre Plaza), No. 188 Jiefang Road, Heping District, Tianjin City, The PRC.	No commercial value	90.385%	Nil
Sub-total:	Nil		Nil
Group IV — Property interest rented and occupied by the Group in Hong Kong			
13. Unit No.4803 on 48/F, Office Tower of Convention Plaza, No.1 Harbour Road, Hong Kong.	No commercial value	100%	Nil
Sub-total:	Nil		Nil

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Property	Market Value in existing state as at 31 March 2009	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 31 March 2009
Group V — Property interest rented and occupied by the Group in Macau			
14. Unit No.B on 26/F, Bank of China Building, located n.° s7 to 15, Praca Ferreira do Amaral, n.° s1 to 5, Avenida do Infante D. Henrique and n.° s307 to 323, Avenida Doutor Maírio Soares Macau.	No commercial value	100%	Nil
Sub-total:	<u>Nil</u>		<u>Nil</u>
Grand-total:	<u><u>HK\$121,530,000</u></u>		<u><u>HK\$110,460,000</u></u>

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Group I — Property interests owned and occupied by the Group in the PRC

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2009
1. An industrial complex located at Ximentan, Miaotou Village, Nangang Town, Huangpu District, Guangzhou, Guangdong Province, The PRC.	<p>The property comprises a parcel of land having a site area of approximately 52,162 sq.m. together with 7 buildings erected thereon.</p> <p>The buildings have a total gross floor area of approximately 12,432.80 sq.m. completed between 1992-2002.</p> <p>The land use rights of the property were granted for a term of 50 years commencing from 19 January 2004 and expiring on 18 January 2054 for industrial, mining and warehouse uses.</p>	The property is currently occupied by the Group for warehouse and ancillary office uses.	<p>RMB27,000,000</p> <p>(equivalent to HK\$30,620,000)</p> <p>Interest attributable to the Group</p> <p>75%</p> <p>Market Value in existing state attributable to the Group as at 31 March 2009</p> <p>RMB20,250,000</p> <p>(equivalent to HK\$22,970,000)</p>

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate (Document No.: Sui Guo Yong (2004) Di No.10007) dated 6 July 2004, the land use rights of the property having a total site area of approximately 52,162 sq.m. were granted to Guangzhou Asia Steel Co., Ltd. for a term of 50 years commencing from 19 January 2004 and expiring on 18 January 2054 for industrial, mining and warehouse uses.
2. As advised by the Company, Guangzhou Asia Steel Co., Ltd. does not possess the title documents of the buildings of the property with a total gross floor area of approximately 12,432.80 sq.m. In our valuation, we have ascribed “no commercial value” to the buildings. Should the Guangzhou Asia Steel Co., Ltd. obtain all the title documents of the buildings, the capital value of the buildings of the property at their existing state as at the date of valuation was in the sum of RMB8,200,000.
3. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) Guangzhou Asia Steel Co., Ltd. has obtained the State-owned Land Use Rights Certificate of the land of the property and is the sole land use rights holder thereof whose ownership is complete and is recognised and protected under PRC laws;
 - (ii) the land transfer fee has been fully settled;
 - (iii) the property is free from any mortgages or third party encumbrance restriction;

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- (iv) Guangzhou Asia Steel Co., Ltd. has the right to use and occupy the land of the property and to transfer, lease, mortgage or dispose of the land use rights of the land of the property; and
 - (v) Guangzhou Asia Steel Co., Ltd. has not obtained the Building Ownership Certificates for the buildings of the property, however, since they are erected on the land of the property of which Guangzhou Asia Steel Co., Ltd. is the sole land use rights holder, Guangzhou Asia Steel Co., Ltd. has the right to occupy and use the same and is entitled to transfer, lease, mortgage or dispose of such buildings once the Building Ownership Certificates have been obtained.
4. Guangzhou Asia Steel Co., Ltd. is an indirect 75% interest owned subsidiary of the Company.

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Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2009
2. A parcel of land located at Zi Ya Environment Protection Industrial Park, Ziwang Road West and Tianhuan Road South, Jinghai County, Tianjin, The PRC.	<p>The property comprises a parcel of land having a site area of approximately 9,978.8 sq.m.</p> <p>The land use rights of the property were granted for a term expiring on 29 December 2056 for industrial and ancillary uses.</p>	The property is currently occupied by the Group for industrial and ancillary uses.	<p>RMB3,000,000 (equivalent to HK\$3,400,000)</p> <p>Interest attributable to the Group</p> <p>90.385%</p> <p>Market Value in existing state attributable to the Group as at 31 March 2009</p> <p>RMB2,710,000 (equivalent to HK\$3,070,000)</p>

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate (Document No.: Jing Dan Guo Yong (2008) Di No.010) dated 28 January 2008, the land use rights of the property having a total site area of approximately 9,978.8 sq.m. were granted to Tianjin Yatong Steel Co., Ltd. for a term expiring on 29 December 2056 for industrial and ancillary uses.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) Tianjin Yatong Steel Co., Ltd. has obtained the State-owned Land Use Rights Certificate of the land of the property and is the sole land use rights holder thereof whose ownership is complete and is recognised and protected under PRC laws;
 - (ii) the land premium has been fully settled;
 - (iii) the property is free from any mortgages or third party encumbrance restriction;
 - (iv) Tianjin Yatong Steel Co., Ltd. has the right to use and occupy the property and to transfer, lease, mortgage or dispose of the land use rights of the property; and
 - (v) Tianjin Yatong Steel Co., Ltd. has obtained a Construction Engineering Planning Permit (Document No. Zhen Jian Zheng Zi 2009-011 Hao Bu) issued by Tianjin City Jinghai County Planning Bureau.
3. Tianjin Yatong Steel Co., Ltd. is an indirect 90.385% interest owned subsidiary of the Company.

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Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
3. A parcel of land located at Donglai Village, Xilaiqiao Town, Yangzhong City, Jiangsu Province, The PRC.	The property comprises a parcel of land having a site area of approximately 188,632.3 sq.m. The land use rights of the property were granted for a term expiring on 14 June 2058 for industrial uses.	The property is currently vacant.	RMB40,300,000 (equivalent to HK\$45,710,000) Interest attributable to the Group 100% Market value in existing state attributable to the Group as at 31 March 2009 RMB40,300,000 (equivalent to HK\$45,710,000)

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate (Document No.: Yang Guo Yong (2008) Di No. 10249) dated 8 August 2008, the land use rights of the property having a total site area of approximately 188,632.3 sq.m. were granted to Yangzhong Yagang Metal Co., Ltd. for a term expiring on 14 June 2058 for industrial uses.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) Yangzhong Yagang Metal Co., Ltd. has obtained the State-owned Land Use Rights Certificate of the land of the property and is the sole land use rights holder thereof whose ownership is complete and is recognised and protected under PRC laws;
 - (ii) the land premium has been fully settled;
 - (iii) the property is free from any mortgages or third party encumbrance restriction;
 - (iv) Yangzhong Yagang Metal Co., Ltd. has the right to use and occupy the property and to transfer, lease, mortgage or dispose of the land use rights of the property; and
 - (v) Yangzhong Yagang Metal Co., Ltd has obtained a Construction Land Planning Permit (Document No.: Yang Gui Di 2006084) issued by Yangzhong City Planning Management Bureau dated 24 November 2006.
3. Yangzhong Yagang Metal Co., Ltd. is an indirect wholly-owned subsidiary of the Company.

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Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
4. A parcel of land located at Zi Ya Environment Protection Industrial Park, Zixing Road West, Jinghai County, Tianjin, The PRC.	The property comprises a parcel of land having a site area of approximately 95,197.75 sq.m. The land use rights of the property were granted for a term expiring on 11 September 2058 for industrial uses.	The property is currently vacant.	RMB28,300,000 (equivalent to HK\$32,100,000)
			Interest attributable to the Group
			90.385%
			Market Value in existing state attributable to the Group as at 31 March 2009
			RMB25,580,000 (equivalent to HK\$29,010,000)

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract entered into between Tianjin Municipal Bureau of Land Resources and Housing Management Jinghai Branch (“Party A”) and Tianjin Yatong Steel Co., Ltd. dated 12 September 2008, Party A agreed to grant the land use rights of the property having a site area of approximately 95,197.75 sq.m. to Tianjin Yatong Steel Co., Ltd. for a consideration of RMB28,300,000 for a term of 50 years commencing from 12 September 2008 for industrial uses.
- Pursuant to a State-owned Land Use Rights Certificate (Document No. Fang De Zheng Jin Zi Di No. 123050903716) dated 14 January 2009, the land use rights of the property having a total site area of approximately 95,197.75 sq.m. were granted to Tianjin Yatong Steel Co., Ltd. for a term expiring on 11 September 2058 for industrial uses.
- We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - Tianjin Yatong Steel Co., Ltd. has obtained the State-owned Land Use Rights Certificate of the land of the property and is the sole land use rights holder thereof whose ownership is complete and is recognized and protected under PRC laws;
 - the land premium has been fully settled;
 - the property is free from any mortgages or third party encumbrance restriction;
 - Tianjin Yatong Steel Co., Ltd. has the right to use and occupy the property and to transfer, lease, mortgage or dispose of the land use rights of the property; and
 - Tianjin Yatong Steel Co., Ltd. has obtained a Construction Land Planning Permit (Document No.: 2008 Huan Bao Yuan Di Zheng Zi 012 Hao) issued by Tianjin City Jinghai County Planning Bureau.
- Tianjin Yatong Steel Co., Ltd. is an indirect 90.385% interest owned subsidiary of the Company.

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Group II — Property interests owned by the Group in Hong Kong

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2009
5. Unit 1 on 16th Floor, “118 Connaught Road West”, No.118 Connaught Road West, Sai Ying Pun, Hong Kong	The property comprises an office unit on the 16th floor of a 37-storey office building completed in around 1994. The property has a gross floor area of approximately 2,036 sq.ft.	The property is leased to Okay Holdings Group Limited for a term from 15 April 2008 to 14 March 2010 at a monthly rental of \$47,235 excluding all the utilities charges but including rates and management fees.	HK\$9,000,000 Interest attributable to the Group 100%
24/5674th equal and undivided shares of and in Section A of Marine Lot No. 534, The Remaining Portion of Marine Lot No.533, Section A of Marine Lot No.532, Section A of Marine Lot No.531, Section A of Marine Lot No.530, Section A of Marine Lot No. 529, The Remaining Portion of Marine Lot No.528, Marine Lot Nos. 527, 475, 474, 473 and 472, Inland Lot No.2866, The Remaining Portion of Inland Lot Nos.2871, 2860, 2870 and 2861.	The property is held under various government leases for various terms of 999 years commencing from 11 June 1895, 27 July 1898, 31 March 1898, 5 October 1889, 25 June 1897, 24 July 1895, 23 May 1895, 14 September 1895 and 10 March 1896 respectively.		Market Value in existing state attributable to the Group as at 31 March 2009 HK\$9,000,000

Notes:

1. According to the Land Registry record, the current registered owner of the property is Asia Steel (H.K.) Limited.
2. According to a Tenancy Agreement entered into between Asia Steel (H.K.) Limited and Okay Holdings Group Limited dated 2 April 2008, the property is leased by Okay Holdings Group Limited from Asia Steel (H.K.) Limited for a term from 15 April 2008 to 14 March 2010 at a monthly rental of \$47,235 excluding all the utilities charges but including rates and management fees.
3. The property is subject to a mortgage in favour of DBS Bank (Hong Kong) Limited dated 13 November 2004 vide memorial no. UB9403050. DBS Bank (Hong Kong) Limited has noted the entering into of the Tenancy Agreement.
4. Asia Steel (H.K.) Limited is a wholly-owned subsidiary of the Company.

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Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
6. Car Parking Space No.358 on 3/F, “118 Connaught Road West”, No.118 Connaught Road West, Sai Ying Pun, Hong Kong	The property comprises a car parking space on the 3rd floor of a 37-storey office building completed in around 1994.	The property is currently vacant.	HK\$700,000
1/5674th equal and undivided share of and in Section A of Marine Lot No. 534, The Remaining Portion of Marine Lot No.533, Section A of Marine Lot No.532, Section A of Marine Lot No.531, Section A of Marine Lot No.530, Section A of Marine Lot No. 529, The Remaining Portion of Marine Lot No.528, Marine Lot Nos. 527, 475, 474, 473 and 472, Inland Lot No.2866, The Remaining Portion of Inland Lot Nos.2871, 2860, 2870 and 2861	The property is held under various government leases for various terms of 999 years commencing from 11 June 1895, 27 July 1898, 31 March 1898, 5 October 1889, 25 June 1897, 24 July 1895, 23 May 1895, 14 September 1895 and 10 March 1896 respectively.		Interest attributable to the Group 100%
			Market Value in existing state attributable to the Group as at 31 March 2009 HK\$700,000

Notes:

1. According to the Land Registry record, the current registered owner of the property is Asia Steel (H.K.) Limited.
2. Asia Steel (H.K.) Limited is a wholly-owned subsidiary of the Company.

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Group III — Property interests rented and occupied by the Group in the PRC

Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
7. No.1 Guangjiang Road, Huangpu District, Guangzhou, Guangdong Province, The PRC.	The property comprises an open space area having a site area of approximately 4,000 sq.m., a warehouse having a gross floor area of approximately 1,086.82 sq.m. and an office having a gross floor area of approximately 150 sq.m..	The property is leased by Guangzhou Yatong Metal Co., Ltd. from 廣州集通倉碼有限公司 for a term of 3 years from 1 February 2008 to 31 January 2011 at a monthly rental of RMB36,041.84. The property is currently occupied by the Group for operation uses.	No commercial value

Notes:

1. According to a Tenancy Agreement entered into between Guangzhou Yatong Metal Co., Ltd. and 廣州集通倉碼有限公司 dated 25 May 2007, the property was leased by Guangzhou Yatong Metal Co., Ltd. from 廣州集通倉碼有限公司 for a term of 5 years from 25 May 2007 to 24 May 2012 at a monthly rental of RMB36,041.84. The Tenancy Agreement was replaced by another Tenancy Agreement entered into between Guangzhou Yatong Metal Co., Ltd. and 廣州集通倉碼有限公司 dated 19 January 2008, whereby the property is leased by Guangzhou Yatong Metal Co., Ltd. from 廣州集通倉碼有限公司 for a term of 3 years from 1 February 2008 to 31 January 2011 at a monthly rental of RMB36,041.84.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) the tenancy agreement of the property is legal and valid;
 - (ii) the land use rights and building ownership of the property are legally owned by 廣州集通倉碼有限公司 who is entitled to lease the property;
 - (iii) the tenancy agreement has been registered, the rights of Guangzhou Yatong Metal Co., Ltd. as lessee under the tenancy agreement are legally recognised and protected under PRC laws; and
 - (iv) the property is mortgaged in favour of Hang Seng Bank (China) Limited Guangzhou Branch on 17 October 2007. Since the mortgage was created after the tenancy agreement, upon enforcement of the mortgage, the tenancy agreement will continue to be valid against the transferee under the mortgage.

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Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
8. No.148 Pangang Road South, Gang District, Jingang Town, Zhangjiagang City, Jiangsu Province, The PRC.	The property comprises a 4-storey building having a total gross floor area of approximately 799.5 sq.m..	The property is leased by Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd. from Wu Yue-xing for a term of 15 years from 1 December 2006 to 30 November 2021 at a total annual rental of RMB30,000. The property is occupied by the Group as staff quarters and office.	No commercial value

Notes:

1. According to a Tenancy Agreement dated 1 December 2006 entered into between Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd. and Wu Yue-xing, the property is leased by Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd. from Wu Yue-xing for a term of 15 years from 1 December 2006 to 30 November 2021 at a total annual rental of RMB30,000.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) the tenancy agreement of the property is legal and valid;
 - (ii) the building ownership of the property is legally owned by Wu Yue-xing who is entitled to lease the property;
 - (iii) the tenancy agreement has not been registered but this will not affect the legality and validity of the tenancy agreement, the rights of Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd. as lessee under the tenancy agreement are legally recognized and protected under PRC laws;
 - (iv) the permitted use of the property is for residential uses, but part of the property is currently occupied for office uses. If the use of property is illegally changed, the property owner, but not the lessee, may be subject to a fine, and in serious cases, the building ownership may be forfeited. Having considered the relatively small scale of the property, even in case Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd. is to be requested not to use the property by the Government, it will not have practical adverse effect on the normal business operation of Zhangjiagang Rongli Zaisheng Ziyuan Co., Ltd.; and
 - (v) the property is mortgaged in favour of Agricultural Bank of China Zhangjiagang Free Trade Zone Sub-Branch on 9 March 2007. Since the mortgage was created after the tenancy agreement, upon enforcement of the mortgage, the tenancy agreement will continue to be valid against the transferee under the mortgage.

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Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
9. An office on 15/F, Asia Steel Building, No.3401 Huangpu Road East, Huangpu District, Guangzhou, Guangdong Province, The PRC.	The property comprises an office on the 15th floor of a building having a gross floor area of approximately 923.81 sq.m..	<p>The property is leased by Guangzhou Asia Steel Co., Ltd. from Guangzhou Asia Steel Property Co., Ltd. for a term of 2 years from 1 June 2008 to 31 May 2010 at a monthly rental of RMB36,028.59 exclusive of management fees.</p> <p>The property is currently occupied by the Group for office uses.</p>	No commercial value

Notes:

1. According to a Tenancy Agreement entered into between Guangzhou Asia Steel Co., Ltd. and Guangzhou Asia Steel Property Co., Ltd. dated 23 May 2008, the property is leased by Guangzhou Asia Steel Co., Ltd. from Guangzhou Asia Steel Property Co., Ltd. for a term of 2 years from 1 June 2008 to 31 May 2010 at a monthly rental of RMB36,028.59 exclusive of management fees.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) the tenancy agreement of the property is legal and valid;
 - (ii) the building ownership of the property is legally owned by Guangzhou Asia Steel Property Co., Ltd. who is entitled to lease the property; and
 - (iii) the tenancy agreement has been registered, the rights of Guangzhou Asia Steel Co., Ltd. as lessee under the tenancy agreement are legally recognised and protected under PRC laws.

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Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
10. An office on 11/F, No.111 Yangzi Road Central, Yangzhong City, Jiangsu Province, The PRC.	The property comprises an office on the 11th floor of a building having a gross floor area of approximately 400 sq.m.	<p>The property is leased by Yangzhong Yagang Metal Co., Ltd. from The China Construction Bank Corporation Limited Yangzhong Branch for a term of 5 years from 1 January 2008 to 31 December 2012 at an annual rental of RMB80,000 inclusive of water, electricity and management charges.</p> <p>The property is currently occupied by the Group for office uses.</p>	No commercial value

Notes:

1. According to a Tenancy Agreement entered into between Yangzhong Yagang Metal Co., Ltd. and The China Construction Bank Corporation Limited Yangzhong Branch dated 3 January 2008, the property is leased by Yangzhong Yagang Metal Co., Ltd. from The China Construction Bank Corporation Limited Yangzhong Branch for a term of 5 years from 1 January 2008 to 31 December 2012 at an annual rental of RMB80,000 inclusive of water, electricity and management charges.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) the tenancy agreement of the property is legal and valid;
 - (ii) the building ownership of the property is legally owned by The China Construction Bank Corporation Limited Yangzhong Branch who is entitled to lease the property; and
 - (iii) the tenancy agreement has been registered, the rights of Yangzhong Yagang Metal Co., Ltd. as lessee under the tenancy agreement are legally recognized and protected under PRC laws.

APPENDIX V

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
11. Two parcels of land located at Hou Hai Tang, Zhen Hai Zhao Bao Shan Jie Dao, Ningbo, Zhejiang Province, The PRC.	The property comprises two parcels of land having a total site area of approximately 66,667 sq.m. with a usable area of approximately 43,333.55 sq.m.	<p>The property is leased by Ningbo Yagang Metal Co., Ltd. from Ningbo Xinghe Recycling Metals Co., Ltd. and Ningbo Zhenglian Recycling Metals Co., Ltd. for a term of 20 years tentatively from 1 October 2008 to 30 September 2028 at an initial annual comprehensive service charge of RMB5,000,000 to be revised every 3 years, with the rate of revision not exceeding $\pm 5\%$.</p> <p>The property is currently occupied by the Ningbo Yagang Metal Co., Ltd. for scrap metal processing uses.</p>	No commercial value

Notes:

1. According to a Tenancy Agreement entered into between Ningbo Xinghe Recycling Metals Co., Ltd. and Ningbo Zhenglian Recycling Metals Co., Ltd. and Yangzhong Yagang Metal Co., Ltd. dated 15 February 2009, the property is leased by Ningbo Yagang Metal Co., Ltd. from Ningbo Xinghe Recycling Metals Co., Ltd. and Ningbo Zhenglian Recycling Metals Co., Ltd. for a term of 20 years tentatively from 1 October 2008 to 30 September 2028 at an initial annual comprehensive service charge of RMB5,000,000.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) the tenancy agreement of the property is legal and valid;
 - (ii) the land use rights of the respective areas for the property are legally owned by Ningbo Xinghe Recycling Metals Co., Ltd. and Ningbo Zhenglian Recycling Metals Co., Ltd. who are entitled to lease the property;
 - (iii) the tenancy agreement has been registered, the rights of Ningbo Yagang Metal Co., Ltd. as lessee under the tenancy agreement are legally recognized and protected under PRC laws; and
 - (iv) a site area of 28,037 sq.m. owned by Ningbo Zhenglian Recycling Metals Co., Ltd. is mortgaged in favour of China Merchants Bank Co., Ltd. Ningbo Yinzhou Sub-Branch on 24 June 2008 and mortgagee consent for entering into the Tenancy Agreement has been obtained on 19 September 2008.

APPENDIX V

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
12. Unit Nos. 1807 and 1808 on 18/F, 信達廣場 (Centre Plaza), No. 188 Jiefang Road, Heping District, Tianjin City, The PRC.	The property comprises an office on the 18th floor of a building having a total gross floor area of 271.74 sq.m.	The property is leased by Tianjin Yatong Steel Co., Ltd. from 耀龍投資有限公司 for a term of 2 years from 19 December 2007 to 18 December 2009 at a monthly rental of RMB35,054 inclusive of water, air-conditioning and management charges. The property is currently occupied by the Group for office uses.	No commercial value

Notes:

1. According to a Tenancy Agreement entered into between Tianjin Yatong Steel Co., Ltd., 耀龍投資有限公司 and 天津眾聯行房地產信息諮詢有限公司 dated 26 November 2007, the property is leased by Tianjin Yatong Steel Co., Ltd. from 耀龍投資有限公司 for a term of 2 years from 19 December 2007 to 18 December 2009 at a monthly rental of RMB35,054 inclusive of water, air-conditioning and management charges.
2. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisors, which contains, inter alia, the following information:
 - (i) the tenancy agreement of the property is legal and valid;
 - (ii) the building ownership of the property is legally owned by 耀龍投資有限公司 who is entitled to lease the property; and
 - (iii) the tenancy agreement has not been registered but this will not affect the legality and validity of the tenancy agreement, the rights of Tianjin Yatong Steel Co., Ltd. as lessee under the tenancy agreement are legally recognized and protected under PRC laws.

APPENDIX V

PROPERTY VALUATION

VALUATION CERTIFICATE

Group IV — Property interest rented and occupied by the Group in Hong Kong

Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
13. Unit No.4803 on 48/F, Office Tower of Convention Plaza, No.1 Harbour Road, Hong Kong.	The property comprises an office unit on the 48th floor of a 48-storey office building completed in around 1990. The property has a gross floor area of approximately 4,462 sq.ft. (414 sq.m.).	By a novation agreement dated 4 July 2008, and a tenancy agreement dated 13 November 2007, the property is leased by Huan Bao Steel Limited (“Substituted Tenant”) replacing Asia Wing Tat Recycling Limited (“Original Tenant”) from Dong Yin Development (Holdings) Limited (“Landlord”) for a term of 2 years from 15 November 2007 and expiring on 14 November 2009 at a monthly rental of HK\$214,176.00 excluding all the utilities charges (government rent, rates, management fees and property tax excepted) which has been reduced to HK\$191,866.00 per month exclusive of all the utilities charges with effect from 15 January 2009 under a supplemental letter dated 15 January 2009 by the Landlord and confirmed/agreed by the Substituted Tenant. The property is occupied by the Group for office uses.	No commercial value

Notes:

1. According to the Land Registry record, the current registered owner of the property is the Landlord.
2. The Landlord has not provided the relevant written approval for the sharing of the property by the Substituted Tenant with the Company/the Group, the Substituted Tenant may be in breach of the non-alienation clause in the tenancy agreement (as varied by the novation agreement and the supplemental letter) which will entitle the Landlord to exercise its rights under the tenancy agreement (as varied by the novation agreement and the supplemental letter) including requiring the Substituted Tenant to vacate the property forthwith.

APPENDIX V

PROPERTY VALUATION

VALUATION CERTIFICATE

Group V — Property interest rented and occupied by the Group in Macau

Property	Description	Particulars of occupancy	Market Value in existing state as at 31 March 2009
14. Unit No.B on 26/F, Bank of China Building, located n.º s7 to 15, Praca Ferreira do Amaral, n.º s1 to 5, Avenida do Infante D. Henrique and n.º s307 to 323, Avenida Doutor Mafio Soares Macau.	The property comprises an office on the 26th floor of a 34-storey office building completed in about 1991. The property has a gross floor area of approximately 1,560 sq.ft. (144.93 sq.m.).	The property is leased by Central Steel (Macao Commercial Offshore) Limited from Bank of China Limited represented by Sun Chung Property Management (Macao) Limited for a term of 2 years commencing from 10 May 2007 to 9 May 2009 at a monthly rental of MOP\$24,180.00 exclusive of management charges, renewed on the same terms for a term of 2 years from 10 May 2009 to 9 May 2011. The property is occupied by the Group for office uses.	No commercial value

Notes:

1. According to the Macau Land and Real Estate Registry Certificates and Searches of the property, the current registered owner of the property is Bank of China Limited.
2. We have been provided with a legal opinion on the property prepared by the Group’s Macau legal advisors, which contains, inter alia, the following information:
 - (i) all requisite legal formalities in relation to the lease agreements have been duly attended to and concluded;
 - (ii) the lease agreements are valid and enforceable by Central Steel (Macao Commercial Offshore) Limited as the tenant against the landlord in accordance with its terms and the Macau laws (except the provisions regarding the option to renew);
 - (iii) Central Steel (Macao Commercial Offshore) Limited as the tenant is entitled to enjoy possession of the property on the terms set out in the lease agreements (excepted as aforesaid);
 - (iv) as a result of execution of the renewal lease agreement, the lease relationship between the landlord and Central Steel (Macao Commercial Offshore) Limited as the tenant was duly renewed for 2 years commencing from 10 May 2009 to 9 May 2011;
 - (v) despite the option to renew being provided in the lease agreements, that clause is not permitted under the Macau laws, which provides that in case no new agreement is to be reached between the parties or there is no notice in relation to the tenancy upon expiration of the term, Central Steel (Macao Commercial Offshore) Limited as the tenant is entitled to lease the property and the lease agreement is deemed

APPENDIX V**PROPERTY VALUATION**

renewed. Therefore, by virtue of article 1038 of the Macau Civil Code, in case of expiration of the term of the renewal lease agreement, Central Steel (Macao Commercial Offshore) Limited as the tenant shall have the right to renew the lease until 9 May 2012 albeit there is no new agreement or renewal notice to be given in the specified period.