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APPENDIX IV

PROPERTY VALUATION

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 Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 31 July 2009 of the property interests of the Group.



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* 2009

The Board of Directors
Yingde Gases Group Company Limited
Room 1702 of
Golden Eagle Tower A
No. 1518 Minsheng Road
Pudong New District
Shanghai
The People's Republic of China

Dear Sirs,

In accordance with your instructions to value the properties in which Yingde Gases Group Company Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 31 July 2009 (the "date of valuation").

Our valuation of the property interests represents the market value which we would define 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".

We have valued the property interest of property no. 1 in Group I by the direct comparison approach assuming sale of the property in its existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

Where, due to the nature of the buildings and structures of property nos. 2 to 14 in Group I and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available. The property interests have been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement costs of the property interests are subject to adequate potential profitability of the concerned business.

In valuing the property interests in Group II which are under construction, we have assumed that they will be developed and completed in accordance with the Group's latest development proposals

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provided to us. In arriving at our opinion of value, we have taken into account the construction costs and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the costs and fees expected to be incurred for completing the development.

We have attributed no commercial value to the property interests in Group III which are rented by the Group, due either to the short-term nature of the leases or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

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

In valuing the property interests, we have complied with all the requirements contained in the RICS Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing titles to the property interests in the PRC and any material encumbrances that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. 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 investigation to determine the suitability of the ground conditions and services of the properties. Our valuation is prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

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Our valuation is summarised below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 26 years' experience in the valuation of properties in the PRC and 29 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

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SUMMARY OF VALUES

GROUP I – PROPERTY INTERESTS HELD AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Capital value in existing state as at 31 July 2009 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 31 July 2009 RMB
1.	Unit 2207, Block B Bao Li Mansion North Changjiang Road Tianyuan District Zhuzhou City Hunan Province The PRC	488,000	100%	488,000
2.	3 parcels of land, various buildings and structures located at Jinzhou Processing Zone Lingang Industrial Zone Zhuhai City Guangdong Province The PRC	59,846,000	100%	59,846,000
3.	4 buildings and various structures inside Lianyuan Steel Group Co., Ltd. Loudi City Hunan Province The PRC	No commercial value	100%	No commercial value
4.	5 buildings and various structures No. 18-2 South Xi'an Road Qingpu District Huai'an City Jiangsu Province The PRC	No commercial value	100%	No commercial value
5.	4 buildings inside Tianjin Steel Pipe Co., Ltd. Wuxia Road Dongli District Tianjin The PRC	No commercial value	100%	No commercial value
6.	9 buildings and various structures inside Longgang Group Longmen Town Hancheng City Shaanxi Province The PRC	No commercial value	100%	No commercial value
7.	7 buildings and various structures located at Fushan Industrial Park High-Tech District Zibo City Shandong Province The PRC	No commercial value	100%	No commercial value

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No.	Property	Capital value in existing state as at 31 July 2009 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 31 July 2009 RMB
8.	A composite building No. 18-2 South Xi'an Road Qingpu District Huai'an City Jiangsu Province The PRC	No commercial value	100%	No commercial value
9.	8 buildings and various structures No. 600 Yanhai Road Lanshan District Rizhao City Shandong Province The PRC	No commercial value	100%	No commercial value
10.	6 buildings and various structures located at Nandian Town Pingshan County Shijiazhuang City Hebei Province The PRC	No commercial value	100%	No commercial value
11.	A parcel of land, various buildings and structures located at the eastern side of Changjiang Road and the northern side of Ri Chu Chemical Yangtze River International Chemical Industrial Park Zhangjiagang City Jiangsu Province The PRC	No commercial value	75%	No commercial value
12.	7 buildings and a structure located at the eastern side of West Outer Ring Road and the northern side of Longtan West Road Taishan Steel Industrial Zone Laiwu City Shandong Province The PRC	No commercial value	100%	No commercial value
13.	A building located at Tianfu Chemical Plant Ma Chang Ping Town Fuquan City Guizhou Province The PRC	No commercial value	100%	No commercial value

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No.	Property	Capital value in existing state as at 31 July 2009 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 31 July 2009 <i>RMB</i>
14.	2 buildings and various structures located at the west gate of Hunan Zhuye Torch Metal Co. Ltd. Xunhuan Economic Industrial Zone Zhuzhou City Hunan Province The PRC	No commercial value	100%	No commercial value
Sub-total :		60,334,000		60,334,000

GROUP II – PROPERTY INTERESTS HELD UNDER DEVELOPMENT BY THE GROUP IN THE PRC

No.	Property	Capital value in existing state as at 31 July 2009 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 31 July 2009 <i>RMB</i>
15.	4 buildings inside Hengyang Steel Pipe Plant No. 10 of Da Li Xin Cun Hengyang City Hunan Province The PRC	No commercial value	70%	No commercial value
16.	2 parcels of land, 3 buildings and various structures located at the northern side of Jinshan Road Yangzhou Economic Development Zone Yangzhou City Jiangsu Province The PRC	9,956,000	100%	9,956,000
Sub-total :		9,956,000		9,956,000

GROUP III – PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Capital value in existing state as at 31 July 2009 <i>RMB</i>
17.	Unit 1702 of Golden Eagle Tower A No. 1518 Minsheng Road Pudong New District Shanghai The PRC	No commercial value
18.	Unit 3033 of a building No. 2123 Pudong Avenue Pudong New District Shanghai The PRC	No commercial value

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No. Property	Capital value in existing state as at 31 July 2009 RMB
19. Unit 2114, Block B Bao Li Mansion North Changjiang Road Tianyuan District Zhuzhou City Hunan Province The PRC	No commercial value
20. Units 2601, 2602, 2603, 2605, 2606, 2607 and 2608 of Shenlan Mansion Chaohui Road Xiacheng District Hangzhou City Zhejiang Province The PRC	No commercial value
21. Levels 2 and 3 of a building No. 18 Group 2 Yangliu Village Hengyang City Hunan Province The PRC	No commercial value
22. Unit 202, Entrance no. 1 of Building no. 55 Residential Area of Hengyang Steel Pipe Plant Hengyang City Hunan Province The PRC	No commercial value
23. Level 4, Entrance no. 3 of Building 65 Da Li Xin Cun Zhengxiang District Hengyang City Hunan Province The PRC	No commercial value
24. Unit 202, Entrance no. 1 of Building no. 54 Residential Area of Hengyang Steel Pipe Plant Hengyang City Hunan Province The PRC	No commercial value
25. A parcel of land and 7 units of a composite building located at No. 1 Group 9 Pudun Village Wudun Town Qingpu District Huai'an City Jiangsu Province The PRC	No commercial value
Sub-total:	Nil
Grand total:	70,290,000

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VALUATION CERTIFICATE

GROUP I – PROPERTY INTERESTS HELD AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
1.	Unit 2207, Block B Bao Li Mansion North Changjiang Road Tianyuan District Zhuzhou City Hunan Province The PRC	The property comprises a unit on Level 22 of a 28-storey office building completed in about 2004. The property has a gross floor area of approximately 131.85 sq.m. The land use rights of the property were granted for a term with the expiry date on 29 December 2042 for commercial use.	The property is currently occupied by the Group for office purpose.	488,000 100% interest attributable to the Group RMB488,000

Notes:

1. Pursuant to a Commodity Property Sale and Purchase Agreement dated 29 September 2004, entered into between Baoli (Zhuzhou) Industry Development Co., Ltd. (保利(株洲)實業發展有限公司) and Hunan Yingde Gases Company Limited ("Hunan Yingde"), an indirect wholly-owned subsidiary of the Company, the property with a gross floor area of approximately 137.32 sq.m. was contracted to be purchased by Hunan Yingde at a consideration of RMB442,170.
2. Pursuant to a Building Ownership Certificate - Zhu Fang Quan Zheng Zi No. 00227119 dated 14 November 2007 issued by the Real Estate Administrative Bureau of Zhuzhou City, the property with a gross floor area of approximately 131.85 sq.m. is owned by Hunan Yingde.
3. Pursuant to a State-owned Land Use Rights Certificate – Zhu Guo Yong (2008) No. A0671 dated 30 June 2008, the land use rights of the property have been granted to Hunan Yingde for a term with the expiry date on 29 December 2042 for commercial use.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Hunan Yingde owns the building ownership rights and the land use rights of the property and has the rights to occupy, use, mortgage, transfer or lease the property.
 - (ii) The property is not subject to any third party encumbrance.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 <i>RMB</i>
2.	3 parcels of land, various buildings and structures located at Jinzhou Processing Zone Lingang Industrial Zone Zhuhai City Guangdong Province The PRC	<p>The property comprises 3 parcels of land with a total site area of approximately 115,754.04 sq.m. and 4 buildings and various ancillary structures erected thereon completed in about 2004. (the "Completed Property")</p> <p>The buildings have a total gross floor area of approximately 2,508.23 sq.m.</p> <p>The buildings include a composite building, a controlling building, a pump room and a gatehouse.</p> <p>The structures mainly include roads, boundary walls and ground.</p> <p>In addition to the Completed Property on the above land, there are 2 buildings which are still under construction (the "CIP").</p> <p>The total gross floor area of the CIP will be approximately 1,270 sq.m. upon completion. The CIP is scheduled to be completed in October 2009.</p> <p>The land use rights of the property were granted for various terms with the expiry dates between 22 May 2053 and 30 July 2056 for industrial use.</p>	<p>The property is currently occupied by the Group for office and ancillary purposes except for 2 buildings which are under construction.</p>	<p>59,846,000</p> <p>100% interest attributable to the Group</p> <p>RMB59,846,000</p>

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract – Zhu Guo Tu He Zi (Lin Gang) (2003) No. 15 dated 22 May 2003, entered into between the Construction and Planning Land Bureau of Zhuhai Lingang Industrial Zone (珠海臨港工業區建設規劃國土局) and Zhuhai Yingde Gases Company Limited. ("Zhuhai Yingde"), an indirect wholly-owned subsidiary of the Company, the land use rights of a parcel of land with a site area of approximately 26,667 sq.m. were contracted to be granted to Zhuhai Yingde for a term of 50 years commencing from 22 May 2003 and expiring on 21 May 2053 for industrial use at a consideration of RMB26,667.
- Pursuant to a State-owned Land Use Rights Grant Contract – Zhu Guo Tu He Zi (Lin Gang) (2003) No. 26 dated 29 July 2003, entered into between the Construction and Planning Land Bureau of Zhuhai Lingang Industrial Zone (珠海臨港工業區建設規劃國土局) and Zhuhai Yingde, the land use rights of a parcel of land with a site area of approximately 40,001.5 sq.m. were contracted to be granted to Zhuhai Yingde for a term of 50 years commencing from 29 July 2003 and expiring on 28 July 2053 for industrial use at a consideration of RMB40,001.5.
- Pursuant to a State-owned Land Use Rights Grant Contract – 4404LG-2006-000037 dated 31 July 2006, entered into between the Land Resources Bureau of Zhuhai City and Zhuhai Yingde, the land use rights of a parcel of land with a site area of approximately 50,000 sq.m. were contracted to be granted to Zhuhai Yingde for a term of 50 years commencing from 31 July 2006 and expiring on 30 July 2056 for industrial use at a consideration of RMB4,000,000.
- Pursuant to a Real Estate Title Certificate – Yue Fang Di Zheng Zi No. C6098134 dated 11 January 2008 issued by the People's Government of Guangdong Province, the land use rights of a parcel of land with a site area of approximately 25,752.54 sq.m., ("Phase I"), were granted to Zhuhai Yingde for a term with the expiry date on 22 May 2053 for industrial use.
- Pursuant to a Real Estate Title Certificate – Yue Fang Di Zheng Zi No. C6099251 dated 15 January 2008 issued by the People's Government of Guangdong Province, the land use rights of a parcel of land with a site area of approximately 40,001.5 sq.m., ("Phase II"), were granted to Zhuhai Yingde for a term with the expiry date on 28 July 2053 for industrial use.

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6. Pursuant to a Real Estate Title Certificate – Yue Fang Di Zheng Zi No. C6099252 dated 15 January 2008 issued by the People's Government of Guangdong Province, the land use rights of a parcel of land with a site area of approximately 50,000 sq.m., ("Phase III"), were granted to Zhuhai Yingde for a term with the expiry date on 30 July 2056 for industrial use.
7. Pursuant to 4 Real Estate Title Certificates – Yue Fang Di Zheng Zi No. C6098130 dated 14 January 2008 and Yue Fang Di Zheng Zi Nos. C6098131 to C6098133 dated 11 January 2008 issued by the People's Government of Guangdong Province, 4 buildings with a total gross floor area of approximately 2,508.23 sq.m. are owned by Zhuhai Yingde.
8. Pursuant to a Construction Work Planning Permit – 2007 Jian Zhu Zi (Gao Lan Gang) No. 065 in favour of Zhuhai Yingde, 2 buildings with a total gross floor area of approximately 1,270 sq.m. have been approved for construction.
9. Pursuant to a Construction Work Commencement Permit in favour of Zhuhai Yingde, permission by the relevant local authority was given to commence the construction work of the CIP.
10. As advised by Zhuhai Yingde, the total construction cost of the CIP is estimated to be approximately RMB2,850,000, of which RMB2,689,000 had been paid up to the date of valuation.
11. Pursuant to a Loan Contract – A11092402086 and a Mortgage Contract both dated 24 June 2009, the land use rights of a parcel of land with a site area of approximately 25,752.54 sq.m. as described in note 4 and buildings as described in note 7 are subject to a mortgage in favour of Bank of Communications Co., Ltd. Zhuhai Branch as a security for a loan for a term of one year commencing from 24 June 2009 to 23 June 2010 with an amount of RMB40,000,000.
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Zhuhai Yingde owns the land use rights of Phase I, II and III and the land use rights are not subject to any third party encumbrance. Zhuhai Yingde has the rights to mortgage, transfer or lease the land use rights under the relevant PRC laws.
 - (ii) Regarding to the 4 buildings constructed on Phase I, Zhuhai Yingde owns the building ownership rights of these 4 buildings and has the rights to occupy, use, mortgage, transfer or lease these buildings under the relevant PRC laws.
 - (iii) There will be no material legal impediment for Zhuhai Yingde in obtaining the building ownership rights for the CIP buildings after the CIP building is completed and passed the acceptance inspection.
 - (iv) The land use rights and buildings as described in note 11 are subject to a mortgage in favour of Bank of Communications Co., Ltd. Zhuhai Branch and cannot be transferred or re-mortgaged by Zhuhai Yingde without permission from the aforesaid bank.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
3.	4 buildings and various structures inside Lianyuan Steel Group Co., Ltd. Loudi City Hunan Province The PRC	<p>The property comprises 4 buildings and various ancillary structures completed in about 2003.</p> <p>The buildings have a total gross floor area of approximately 2,929.29 sq.m.</p> <p>The buildings include a composite building, a control building, a pump room and a gatehouse.</p> <p>The structures mainly include roads and boundary walls.</p>	The property is currently occupied by the Group for office and ancillary purposes.	No commercial value

Notes:

1. According to a Gases Supply Agreement dated 25 October 2006, entered into between Lianyuan Steel Group Co., Ltd. (涟源鋼鐵集團有限公司) ("Lianyuan Steel") and Hunan Yingde Gases Company Limited, ("Hunan Yingde"), an indirect wholly-owned subsidiary of the Company, Hunan Yingde was allowed to establish an oxygen plant on a parcel of land held by Lianyuan Steel to manufacture and supply gases to Lianyuan Steel to meet its production requirements with an effective term of 20 years commencing from the day when Hunan Yingde started to supply the gases and the annual land occupancy fee is RMB100,000 inclusive of relevant tax.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land) as at the date of valuation would be RMB3,282,000 assuming all proper title certificates have been obtained and they could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Hunan Yingde Loudi Branch has the rights to use the land according to the Gases Supply Agreement.
 - (ii) The buildings were constructed to serve for the Gases Supply Agreement and Hunan Yingde Loudi Branch can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Hunan Yingde may not be protected under the PRC laws.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
4.	5 buildings and various structures No. 18-2 South Xi'an Road Qingpu District Huai'an City Jiangsu Province The PRC	<p>The property comprises 5 buildings and various ancillary structures completed in about 2004.</p> <p>The buildings have a total gross floor area of approximately 1,636.3 sq.m.</p> <p>The buildings include a composite building, a control building, a pump room, a steel storage room and a gatehouse.</p> <p>The structures mainly include roads and boundary walls.</p>	The property is currently occupied by the Group for office and ancillary purposes.	No commercial value

Notes:

1. According to a Gases Supply Agreement and a Transfer Agreement entered into among Nanjing Steel Group Huai Steel (Group) Co., Ltd. (南京鋼鐵集團淮鋼集團有限公司) ("Huai Steel"), Hunan Yingde Gases Company Limited, an indirect wholly-owned subsidiary of the Company and Jiangsu Yingde Gases Company Limited ("Jiangsu Yingde"), an indirect wholly-owned subsidiary of the Company, Jiangsu Yingde was allowed to establish an oxygen plant on a parcel of land held by Huai Steel to manufacture and supply gases for Huai Steel to meet its production requirements with an effective term of 20 years at nil fee commencing from the day when Jiangsu Yingde started to supply the gases.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land) as at the date of valuation would be RMB2,747,000 assuming all proper title certificates have been obtained and they could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Jiangsu Yingde has the rights to use the land according to the Gases Supply Agreement.
 - (ii) Jiangsu Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Jiangsu Yingde may not be protected under the PRC laws.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
5.	4 buildings inside Tianjin Steel Pipe Co., Ltd. Wuxia Road Dongli District Tianjin The PRC	The property comprises 4 buildings completed in about 2005. The buildings have a total gross floor area of approximately 1,471.1 sq.m. The buildings include an electric distribution room, a control building, a pump room and an ancillary room.	The property is currently occupied by the Group for ancillary purpose.	No commercial value

Notes:

1. According to a Gases Supply Agreement dated 10 April 2007, entered into between Tianjin Steel Pipe Co., Ltd. (天津鋼管有限公司) ("Tianjin Steel Pipe") and Tianjin Gases Company Limited, ("Tianjin Yingde"), an indirect wholly-owned subsidiary of the Company, Tianjin Yingde was allowed to establish an oxygen plant on a parcel of land held by Tianjin Steel Pipe to manufacture and supply gases for Tianjin Steel Pipe to meet its production requirements with an effective term of 25 years commencing from the date of agreement.
2. According to a Land Use Rights Tenancy Agreement dated 1 November 2007, entered into between Tianjin Steel Pipe Investment Holdings Limited (天津鋼管投資控股有限公司) and Tianjin Yingde, a parcel of land with a site area of approximately 27,755,46 sq.m. is leased to Tianjin Yingde for a term of 25 years commencing from 2 July 2004 and expiring on 2 July 2029 at an annual rent of RMB771,046.68. As advised by Tianjin Yingde, an office building with a gross floor area of approximately 470 sq.m. is also offered to Tianjin Yingde for office use which the relevant rent is included in the land rent.
3. In the valuation of this property, we have not attributed any commercial value to the 4 buildings with a total gross floor area of approximately 1,471.1 sq.m. constructed by Tianjin Yingde which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the 4 buildings (excluding the land) as at the date of valuation would be RMB1,352,000 assuming all proper title certificates have been obtained and they could be freely transferred.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Tianjin Yingde has the rights to use the land according to the Gases Supply Agreement. The non-registration of the Land Use Rights Tenancy Agreement will not affect the validity of the tenancy agreement.
 - (ii) The buildings were constructed to serve for the Gases Supply Agreement and Tianjin Yingde can use the buildings according to the Gases Supply Agreement if there are no arguments from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Tianjin Yingde may not be protected under the PRC laws.
 - (iv) Tianjin Yingde may not be able to use the buildings mentioned in note 3 in case there are queries raised by from the local land administration authorities or the owner of the land use rights.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
6.	9 buildings and various structures inside Longgang Group Longmen Town Hancheng City Shaanxi Province The PRC	<p>The property comprises 9 buildings and various structures completed in various stages between 2004 and 2009.</p> <p>The buildings have a total gross floor area of approximately 2,814 sq.m.</p> <p>The buildings mainly include a composite building and a gatehouse.</p> <p>The structures mainly include ground and boundary walls.</p>	The property is currently occupied by the Group for office and ancillary purposes.	No commercial value

Notes:

1. According to 2 Gases Supply Agreements dated 18 January 2003 and 28 August 2008, entered into between Shaanxi Longmen Steel Group Co., Ltd. (陝西龍門鋼鐵集團有限公司) ("Shaanxi Longmen") and Hunan Yingde Gases Company Limited, ("Hunan Yingde"), an indirect wholly-owned subsidiary of the Company, Hunan Yingde was allowed to establish an oxygen plant on a parcel of land held by Shaanxi Longmen to manufacture and supply gases for Shaanxi Longmen to meet its production requirements with an effective term of 20 years commencing from the date of agreement and the annual land occupancy fee is RMB3 per sq.m. per year. Hunan Yingde has transferred the rights under the Gases Supply Agreement to Shaanxi Yingde Gases Company Limited ("Shaanxi Yingde"), an indirect wholly-owned subsidiary of the Company.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land) as at the date of valuation would be RMB3,830,000 assuming all proper title certificates have been obtained and they could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Shaanxi Yingde has the rights to use the land according to the Gases Supply Agreement.
 - (ii) The buildings were constructed to fulfill the requirements of the Gases Supply Agreement and Shaanxi Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Shaanxi Yingde may not be protected under the PRC laws.

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PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
7.	7 buildings and various structures located at Fushan Industrial Park High-Tech District Zibo City Shandong Province The PRC	<p>The property comprises 7 buildings and various ancillary structures completed in about 2007.</p> <p>The buildings have a total gross floor area of approximately 1,817.72 sq.m.</p> <p>The buildings include a composite building, a control building, 2 pump houses and 2 gatehouses.</p> <p>The structures mainly include roads and boundary walls.</p>	The property is currently occupied by the Group for office and ancillary purposes.	No commercial value

Notes:

1. According to a Gases Supply Agreement and a Supplementary Agreement entered into among Zibo Fushan Group Co., Ltd. (傅山企業集團有限公司) ("Fushan Group"), Hunan Yingde Gases Company Limited, an indirect wholly-owned subsidiary of the Company and Zibo Yingde Gases Company Limited, ("Zibo Yingde"), an indirect wholly-owned subsidiary of the Company, Zibo Yingde was allowed to establish an oxygen plant on a parcel of land to manufacture and supply gases for Fushan Group to meet its production requirements with an effective term commencing from 1 June 2006 and expiring on 31 May 2028. According to the above Agreements, a parcel of land with a site area of approximately 42,000 sq.m. on which the property is situated, is also offered to Zibo Yingde for production use with an annual land occupancy fee of RMB283,900.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land) as at the date of valuation would be RMB2,630,000 assuming all proper title certificates have been obtained and they could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) According to the Gases Supply Agreement and the Supplementary Agreement, Zibo Yingde has the rights to ask Fushan Group for compensation if Zibo Yingde can not occupy the land since the owner of the land use rights has not obtained the land use rights certificate of the land.
 - (ii) Zibo Yingde can use the property according to the Gases Supply Agreement.
 - (iii) The property interest owned by Zibo Yingde may not be protected under the PRC laws.

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PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
8.	A composite building No. 18-2 South Xi'an Road Qingpu District Huai'an City Jiangsu Province The PRC	The property comprises a composite building completed in about 2007. The property has a gross floor area of approximately 1,538 sq.m.	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. According to a Gases Supply Agreement and a Transfer Agreement entered into among Nanjing Steel Group Huai Steel (Group) Co., Ltd. (南京鋼鐵集團淮鋼集團有限公司) ("Huai Steel"), Hunan Yingde Gases Company Limited, (an indirect wholly-owned subsidiary of the Company), and Huai'an Yingda Gases Company Limited ("Huai'an Yingda"), an indirect wholly-owned subsidiary of the Company, Huai'an Yingda was allowed to establish an oxygen plant on a parcel of land held by Huai Steel to manufacture and supply gases to Huai Steel to meet its production requirements with an effective term of 20 years at nil fee commencing from the day when Huai'an Yingda started to supply the gases.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the building (excluding the land) as at the date of valuation would be RMB1,730,000 assuming all relevant proper title certificates have been obtained and they could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Huai'an Yingda has the rights to use the land according to the Gases Supply Agreement.
 - (ii) The buildings were constructed to serve for the Gases Supply Agreement and Huai'an Yingda can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Huai'an Yingda may not be protected under the PRC laws.

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PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
9.	8 buildings and various structures No. 600 Yanhai Road Lanshan District Rizhao City Shandong Province The PRC	<p>The property comprises 8 buildings and various structures completed in 2007 and 2008.</p> <p>The buildings have a total gross floor area of approximately 5,807.25 sq.m.</p> <p>The buildings include an office building, a control building, 2 pump houses, 2 electricity distribution rooms, an ancillary room and a gatehouse.</p> <p>The structures mainly include roads and boundary walls.</p>	The property is currently occupied by the Group for office and ancillary purposes.	No commercial value

Notes:

1. According to a Gases Supply Agreement and a Transfer Agreement entered into between Rizhao Steel Co., Ltd. ("Ri Steel"), Hunan Yingde Gases Company Limited, an indirect wholly-owned subsidiary of the Company, and Rizhao Yingde Gases Company Limited, ("Rizhao Yingde"), an indirect wholly-owned subsidiary of the Company, Rizhao Yingde was allowed to establish an oxygen plant on a parcel of land held by Ri Steel to manufacture and supply gases to Ri Steel to meet its production requirements with an effective term of 20 years commencing from the day when Rizhao Yingde started to supply the gases. According to the above agreements, a parcel of land with a site area of approximately 25,000 sq.m. on which the property is situated, is also offered to Rizhao Yingde for production use with an annual land occupancy fee of RMB100,000.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land) as at the date of valuation would be RMB10,199,000 assuming all relevant proper title certificates have been obtained and they could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Rizhao Yingde has the rights to use the land according to the Gases Supply Agreement.
 - (ii) The buildings were constructed to fulfill the requirements of the Gases Supply Agreement and Rizhao Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Rizhao Yingde may not be protected under the PRC laws.

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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
10.	6 buildings and various structures located at Nandian Town Pingshan County Shijiazhuang City Hebei Province The PRC	<p>The property comprises 6 buildings and various structures completed in 2007 and 2009.</p> <p>The property has a gross floor area of approximately 4,548.7 sq.m.</p> <p>The buildings include an office building, 2 control buildings, 2 pump houses and a gatehouse.</p> <p>The structures mainly include roads and boundary walls.</p>	The property is currently occupied by the Group for office and ancillary purposes.	No commercial value

Notes:

1. According to a Gases Supply Agreement dated 5 June 2006, entered into between Hebei Jingye Steel Co., Ltd. (河北敬業鋼鐵有限公司) ("Hebei Jingye") and Hunan Yingde Gases Company Limited ("Hunan Yingde"), an indirect wholly-owned subsidiary of the Company, Hunan Yingde was allowed to establish an oxygen plant on a parcel of land held by Hebei Jingye to manufacture and supply gases to Hebei Jingye to meet its production requirements with an effective term of 20 years commencing from the day when Hunan Yingde started to supply the gases. Hunan Yingde has transferred the rights under the Gases Supply Agreement to Hebei Yingde Gases Company Limited ("Hebei Yingde"), an indirect wholly-owned subsidiary of the Company.
2. According to a Land Use Agreement dated 7 November 2007, entered into between Pingshan County Jingye Jiaosuan Co., Ltd. (平山縣敬業焦酸有限公司) and Hebei Yingde, a parcel of land with a site area of 20,000 sq.m. was leased to Hebei Yingde for a term of 20 years at an annual rent of RMB1,000.
3. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land) as at the date of valuation would be RMB6,067,000 assuming all relevant proper title certificates have been obtained and they could be freely transferred.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) According to the Gases Supply Agreement and the Land Use Agreement, Hebei Yingde has the rights to ask Hebei Jingye Steel Co., Ltd. for compensation due to lack of the land title certificate.
 - (ii) The buildings were constructed to fulfill the requirements of the Gases Supply Agreement and Hebei Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Hebei Yingde may not be protected under the PRC laws.

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PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
11.	A parcel of land, various buildings and structures located at the eastern side of Changjiang Road and the northern side of Ri Chu Chemical Yangtze River International Chemical Industrial Park Zhangjiagang City Jiangsu Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 68,055.4 sq.m. and 12 buildings and various ancillary structures erected thereon completed in 2008.</p> <p>The buildings have a total gross floor area of approximately 17,527.11 sq.m.</p> <p>The buildings mainly include a composite building, an industrial building and a gatehouse.</p> <p>The structures mainly include roads, boundary walls and ground.</p> <p>The land use rights of the property were granted for a term with the expiry date on 14 May 2056 for industrial use.</p>	The property is currently occupied by the Group for production purpose.	No commercial value

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Zhang Guo Yong (2009) No. 380015 dated 19 June 2009, the land use rights of a parcel of land with a site area of approximately 68,055.4 sq.m. were granted to Zhangjiagang Yingde Gases Co., Ltd. ("Zhangjiagang Yingde"), a 75% interest owned subsidiary of the Company, for a term of 50 years with the expiry date on 14 May 2056 for industrial use.
2. Pursuant to 3 Building Ownership Certificates – Zhang Fang Quan Zheng Jin Zi Nos. 0000160293, 0000160297 and 0000160298 dated 21 May 2009, 12 buildings with a total gross floor area of approximately 17,527.11 sq.m. are owned by Zhangjiagang Yingde.
3. In the valuation of this property, we have attributed no commercial value to the property as its land premium has not been fully paid. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and the structures as at the date of valuation would be RMB63,630,000 assuming the land premium has been fully paid and the buildings could be freely transferred.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Zhangjiagang Yingde has obtained the State-owned Land Use Rights Certificate (stated in note 1) with a portion of land premium unpaid. On the conditions that Zhangjiagang Yingde has paid off outstanding land premium and all relevant tax and penalty (if any), and relevant authorities has not raised any objection, there will be no risk of government terminating the granted land use rights.
 - (ii) Zhangjiagang Yingde owns the building ownership rights of the property and has the rights to occupy, use, mortgage, transfer or lease the buildings of the property, but is subject to the limitations arising from the situation as mentioned in note 4(i).

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
12.	7 buildings and a structure located at the eastern side of West Outer Ring Road and the northern side of Longtan West Road Taishan Steel Industrial Zone Laiwu City Shandong Province The PRC	<p>The property comprises 7 buildings and a structure completed in 2008.</p> <p>The property has a gross floor area of approximately 2,560.8 sq.m.</p> <p>The buildings mainly include an office building, a staff quarter and a gatehouse.</p> <p>The structure includes the boundary walls.</p>	The property is currently occupied by the Group for office and ancillary purposes.	No commercial value

Notes:

1. According to a Gases Supply Agreement dated 31 August 2006, entered into between Shandong Taishan Steel Group Company Limited (山東泰山鋼鐵集團有限公司) ("Taishan Steel") and Yingde Gases Investment Limited ("Yingde Investment"), Yingde Investment was allowed to establish an oxygen plant on a parcel of land held by Taishan Steel to manufacture and supply gases to Taishan Steel to meet its production requirements for an effective term of 20 years commencing from the day when Yingde Investment started to supply the gases. Yingde Investment has transferred the rights under the Gases Supply Agreement to Laiwu Yingde Gases Company Limited ("Laiwu Yingde"), an indirect wholly-owned subsidiary of the Company.
2. Pursuant to a Construction Land Planning Permit – (2007) Lai Gui Di Zi No. 038 dated 15 May 2007, issued by the Planning Bureau of Laiwu City in favour of Laiwu Yingde, permission towards the planning of the subject land with a site area of approximately 72,411.4 sq.m. was granted to Laiwu Yingde.
3. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structure (excluding the land) as at the date of valuation would be RMB6,127,000 assuming all proper title certificates have been obtained and the property could be freely transferred.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) According to the Gases Supply Agreement, Laiwu Yingde has the rights to ask Shandong Taishan Steel Group Company Limited for compensation if Laiwu Yingde can not occupy the land since the owner of the land use rights has not obtained the land use rights certificate of the land.
 - (ii) The buildings were constructed to fulfill the requirements of the Gases Supply Agreement and Laiwu Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Laiwu Yingde may not be protected under the PRC laws.

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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
13.	A building located at Tianfu Chemical Plant Ma Chang Ping Town Fuquan City Guizhou Province The PRC	The property comprises an office building completed in 2009. The property has a gross floor area of approximately 1,533.55 sq.m.	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. According to a Gases Supply Agreement dated 10 November 2006, entered into between Guizhou Tian Fu Chemical Co., Ltd. (貴州天福化工有限責任公司) ("Tian Fu Chemical") and Yingde Gases Investment Limited ("Party B"), Party B was allowed to establish an oxygen plant on a parcel of land held by Tian Fu Chemical to manufacture and supply gases to Tian Fu Chemical to meet its production requirements with an effective term of 25 years commencing from 1 March 2009. Based on the aforesaid Agreement, once the plant is completed, Yingde Investment will transfer the Gases Supply Agreement to Guizhou Yingde Gases Company Limited ("Guizhou Yingde"), a wholly-owned subsidiary of the Company.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the building (excluding the land) as at the date of valuation would be RMB2,125,000 assuming all proper title certificates have been obtained and the property could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Guizhou Yingde has the rights to use the land according to the Gases Supply Agreement.
 - (ii) The building was constructed to fulfill the requirements of the Gases Supply Agreement and Guizhou Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements from the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Guizhou Yingde may not be protected under the PRC laws.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
14.	2 buildings and various structures located at the west gate of Hunan Zhuye Torch Metal Co. Ltd. Xunhuan Economic Industrial Zone Zhuzhou City Hunan Province The PRC	<p>The property comprises 2 buildings and various structures completed in 2009.</p> <p>The property has a gross floor area of approximately 2,800.36 sq.m.</p> <p>The buildings comprises a composite building and a pump house.</p> <p>The structures mainly include roads and boundary walls.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. According to a Gases Supply Agreement dated 3 March 2007, entered into between Hunan Zhuye Torch Metal Co., Ltd. (湖南株冶火炬金属股份有限公司) ("Zhuye Torch Metal") and Yingde Gases Investment Limited ("Yingde Investment"), Yingde Investment was allowed to establish an oxygen plant on a parcel of land held by Zhuye Torch Metal to manufacture and supply gases for Zhuye Torch Metal to meet its production requirements with an effective term of 20 years commencing from the day when Yingde Investment started to supply the gases and the annual land occupancy fee is RMB80,000. As advised by Zhuzhou Yingde Gases Company Limited ("Zhuzhou Yingde") a wholly-owned subsidiary of the Company, once the plant is completed, Yingde Investment will transfer the aforesaid Agreement to Zhuzhou Yingde.
2. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures (excluding the land) as at the date of valuation would be RMB3,625,000 assuming all proper title certificates have been obtained and the property could be freely transferred.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Zhuzhou Yingde has the rights to use the land according to the Gases Supply Agreement.
 - (ii) The buildings were constructed to fulfill the requirements of the Gases Supply Agreement and Zhuzhou Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements raised by the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Zhuzhou Yingde may not be protected under the PRC laws.

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PROPERTY VALUATION

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GROUP II – PROPERTY INTERESTS HELD UNDER DEVELOPMENT BY THE GROUP IN THE PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
15.	4 buildings inside Hengyang Steel Pipe Plant No. 10 of Da Li Xin Cun Hengyang City Hunan Province The PRC	The property comprises 4 buildings which are under construction. The buildings are scheduled to be completed in October 2009. The gross floor area of the buildings upon completion will be approximately 2,487 sq.m.	The property is under construction.	No commercial value

Notes:

1. According to a Gases Supply Agreement dated 28 November 2008, entered into between Hengyang Hualing Lianzhaguan Co., Ltd. (衡陽華菱連軋管有限公司) ("Hengyang Hualing") and Yingde Gases Investment Limited ("Yingde Investment"), Yingde Investment was allowed to establish an oxygen plant on a parcel of land held by Hengyang Hualing to manufacture and supply gases for Hengyang Hualing to meet its production requirements. Yingde Gases Investment Limited has transferred the rights under the Gases Supply Agreement to Hengyang Yingde Gases Company Limited ("Hengyang Yingde"), a 70% interest owned subsidiary of the Company.
2. As advised by the Group, the total construction cost of the property is estimated to be approximately RMB2,170,000, of which RMB1,887,900 has been paid up to the date of valuation.
3. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land) as at the date of valuation would be RMB1,223,000 assuming all proper title certificates have been obtained and the property could be freely transferred.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Hengyang Yingde has the rights to use the land according to the Gases Supply Agreement.
 - (ii) The buildings were constructed to fulfill the requirements of the Gases Supply Agreement and Hengyang Yingde can use the buildings according to the Gases Supply Agreement if there are no disagreements raised by the local authorities and the owner of the land use rights.
 - (iii) The property interest owned by Hengyang Yingde may not be protected under the PRC laws.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
16.	2 parcels of land, 3 buildings and various structures located at the northern side of Jinshan Road Yangzhou Economic Development Zone Yangzhou City Jiangsu Province The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 35,362.3 sq.m. and 3 buildings and various ancillary structures erected thereon which are under construction.</p> <p>The property is scheduled to be completed in October 2009.</p> <p>The gross floor area of the buildings upon completion will be approximately 2,296 sq.m.</p> <p>The land use rights of the property were granted for terms of 50 years with the expiry date on 31 December 2056 for industrial use.</p>	The property is under construction.	<p>9,956,000</p> <p>100% interest attributable to the Group: RMB9,956,000</p>

Notes:

1. Pursuant to 2 State-owned Land Use Rights Grant Contracts – Yang Di Kai He Zi (2006) Nos. 58 & 109 dated 31 December 2006, entered into between the Land Resource Bureau of Jiangsu Province, Yangzhou City and Yangzhou Yingde Gases Company Limited ("Yangzhou Yingde"), an indirect wholly-owned subsidiary of the Company, the land use rights of 2 parcels of land with a total site area of approximately 35,362 sq.m. were contracted to be granted to Yangzhou Yingde for a term of 50 years for industrial use at a total consideration of RMB4,950,680.
2. Pursuant to 2 State-owned Land Use Rights Certificates – Yang Guo Yong (2008) Nos. 0179 and 0180 dated 1 April 2008, the land use rights of 2 parcels of land with a total site area of approximately 35,362.3 sq.m. were granted to Yangzhou Yingde for terms of 50 years with the expiry date on 31 December 2056 for industrial use.
3. Pursuant to 4 Construction Work Planning Permits – Jian Zi Nos. 3210002008K0101 and 3210002008K0020 to 3210002008K0022 in favour of Yangzhou Yingde, 3 buildings and a structure have been approved for construction.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Yangzhou Yingde owns the land use rights of the property and has the rights to mortgage, transfer or lease the land use rights of the property under the relevant PRC laws.
 - (ii) The property is not subject to any third party encumbrance.
 - (iii) There will be no material legal impediment for Yangzhou Yingde in obtaining the building ownership rights for the 3 buildings after the 3 buildings are completed and passed the acceptance inspection.

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GROUP III – PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
17.	Unit 1702 of Golden Eagle Tower A No. 1518 Minsheng Road Pudong New District Shanghai The PRC	The property comprises a unit on Level 17 of a 21-storey office building completed in about 2005. The property has a gross floor area of approximately 389.29 sq.m. The property is rented to Jiangsu Yingde Gases Company Limited Shanghai Branch from an independent third party for a term of 6 years commencing from 20 August 2006 and expiring on 19 August 2012, at a current daily rent of RMB4.9853 sq.m.	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement and a Supplementary Agreement dated 6 July 2006 entered into between Shanghai Lianxing Economic Development Corporations Co., Ltd. (上海連興經濟發展合作有限公司) and Jiangsu Yingde Gases Company Limited Shanghai Branch ("Jiangsu Yingde Shanghai Branch"), an indirect wholly-owned subsidiary of the Company, the property is rented to Jiangsu Yingde Shanghai Branch from 20 August 2006 for a term of 6 years at a daily rent of RMB4.5321 per sq.m. for the first 2 years, RMB4.9853 per sq.m. for the second 2 years and RMB5.4838 per sq.m. for the last 2 years, exclusive of management fees, water and electricity charges.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Jiangsu Yingde Shanghai Branch has the rights to use the property within the terms stated in the Tenancy Agreement and the usage of the property is in compliance with the purpose prescribed by the Real Estate Title Certificate.
 - (ii) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
18.	Unit 3033 of a building No. 2123 Pudong Avenue Pudong New District Shanghai The PRC	<p>The property comprises a unit on Level 3 of a 28-storey commercial building completed in about 1998.</p> <p>The property has a gross floor area of approximately 30 sq.m.</p> <p>The property is rented to Jiangsu Yingde Gases Company Limited Shanghai Branch from an independent third party for a term commencing from 18 October 2006 and expiring on 18 October 2011, at an annual rent of RMB18,000.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement entered into between Shanghai Mingyang Property Co., Ltd. (上海名陽置業有限公司) and Jiangsu Yingde Gases Company Limited Shanghai Branch, ("Jiangsu Yingde Shanghai Branch"), an indirect wholly-owned subsidiary of the Company, the property is rented to Jiangsu Yingde Shanghai Branch for a term commencing from 18 October 2006 and expiring on 18 October 2011 at an annual rent of RMB18,000.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Jiangsu Yingde Gases Co., Ltd. Shanghai Branch has the rights to use the property within the terms stated in the Tenancy Agreement and the usage of the property is in compliance with the purpose prescribed by the Real Estate Title Certificate.
 - (ii) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.

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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
19.	Unit 2114 Block B Bao Li Mansion North Changjiang Road Tianyuan District Zhuzhou City Hunan Province The PRC	The property comprises a unit on Level 21 of a 28-storey office building completed in about 2004. The property has a gross floor area of approximately 53 sq.m. The property is rented to Hunan Yingde Gases Company Limited from an independent third party for a term commencing from 13 February 2009 and expiring on 31 December 2009, at an annual rent of RMB15,828.	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement dated 23 February 2009 entered into between Xu Jianling (徐建靈) and Hunan Yingde Gases Company Limited ("Hunan Yingde"), an indirect wholly-owned subsidiary of the Company, the property is rented to Hunan Yingde for a term commencing from 13 February 2009 and expiring on 31 December 2009 at an annual rent of RMB15,828.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Hunan Yingde has the rights to use the property within the terms stated in the Tenancy Agreement and the usage of the property is in compliance with the purpose prescribed by the Building Ownership Certificate.
 - (ii) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.

APPENDIX IV

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
20.	Units 2601, 2602, 2603, 2605, 2606, 2607 and 2608 of Shenlan Mansion Chaohui Road Xiacheng District Hangzhou City Zhejiang Province The PRC	<p>The property comprises the whole of 7 units on Level 26 of a 29-storey office building completed in about 2004.</p> <p>The property has a gross floor area of approximately 1,300.67 sq.m.</p> <p>The property is leased to Laiwu Yingde Gases Company Limited from an independent third party for a term commencing from 1 October 2007 and expiring on 30 September 2010, at a rent of RMB4.6 per day per sq.m.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement entered into between Lihong, Xuanzhe (李紅, 宣哲) and Laiwu Gases Company Limited ("Laiwu Yingde"), an indirect wholly-owned subsidiary of the Company, the property is leased to Laiwu Yingde for a term commencing from 1 October 2007 and expiring on 30 September 2010 at the rent of RMB4.6 per day per sq.m.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Laiwu Yingde has the rights to use the property within the terms stated in the Tenancy Agreement and the usage of the property is in compliance with the purpose prescribed by the Building Ownership Certificate.
 - (ii) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.

THIS WEB PROOF INFORMATION PACK IS IN DRAFT FORM. The information contained herein is incomplete and subject to change and it must be read in conjunction with the section headed "Warning" on the cover of this Web Proof Information Pack.

APPENDIX IV

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
21.	Levels 2 and 3 of a building No. 18 Group 2 Yangliu Village Hengyang City Hunan Province The PRC	<p>The property comprises Levels 2 and 3 of a 3-storey residential building completed in about 2004.</p> <p>The property has a lettable area of approximately 150 sq.m.</p> <p>The property is leased to Hengyang Yingde Gases Company Limited from an independent third party for a term commencing from 1 April 2009 and expiring on 31 March 2011, at a monthly rent of RMB960.</p>	The property is currently occupied by the Group for residential purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement dated 1 April 2009 entered into between Liu Benzhen (劉本正) and Hengyang Yingde Gases Company Limited ("Hengyang Yingde"), an indirect wholly-owned subsidiary of the Company, the property is leased to Hengyang Yingde for a term commencing from 1 April 2009 and expiring on 31 March 2011, at a monthly rent of RMB960, exclusive of water and electricity charges.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.
 - (ii) Hengyang Yingde may not be able to use the property subject to the claim from the relevant administration authorities and the property owner.

APPENDIX IV

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
22.	Unit 202, Entrance no. 1 of Building no. 55 Residential Area of Hengyang Steel Pipe Plant Hengyang City Hunan Province The PRC	The property comprises a unit on Level 2 of a 7-storey residential building completed in about 1998. The property has a lettable area of approximately 80 sq.m. The property is leased to Hengyang Yingde Gases Company Limited from an independent third party for a term commencing from 1 March 2009 and expiring on 29 February 2012, at a monthly rent of RMB600.	The property is currently occupied by the Group for residential purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement dated 9 March 2009 entered into between Tao Yongzhi (陶永志) and Hengyang Yingde Gases Company Limited ("Hengyang Yingde"), an indirect wholly-owned subsidiary of the Company, the property is leased to Hengyang Yingde for a term commencing from 1 March 2009 and expiring on 29 February 2012, at a monthly rent of RMB600, exclusive of water and electricity charges.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.
 - (ii) Hengyang Yingde may not be able to use the property subject to the claim from the relevant administration authorities and the property owner.

APPENDIX IV

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
23.	Level 4, Entrance no. 3 of Building 65 Da Li Xin Cun Zhengxiang District Hengyang City Hunan Province The PRC	<p>The property comprises a unit on Level 4 of a 7-storey residential building completed in about 1996.</p> <p>The property has a lettable area of approximately 120 sq.m.</p> <p>The property is leased to Hengyang Yingde Gases Company Limited from an independent third party for a term commencing from 5 March 2009 and expiring on 4 March 2010, at a monthly rent of RMB940.</p>	The property is currently occupied by the Group for residential purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement dated 4 March 2009 entered into between Tan Jiaxiu (譚家秀) and Hengyang Yingde Gases Company Limited ("Hengyang Yingde"), an indirect wholly-owned subsidiary of the Company, the property is leased to Hengyang Yingde for a term commencing from 5 March 2009 and expiring on 4 March 2010, at a monthly rent of RMB940, exclusive of water and electricity charges.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.
 - (ii) Hengyang Yingde may not be able to use the property subject to the claim from the relevant administration authorities and the property owner.

APPENDIX IV

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
24.	Unit 202, Entrance no. 1 of Building no. 54 Residential Area of Hengyang Steel Pipe Plant Hengyang City Hunan Province The PRC	The property comprises a unit on Level 2 of a 7-storey residential building completed in about 2001. The property has a lettable area of approximately 80 sq.m. The property is leased to Hengyang Yingde Gases Company Limited from an independent third party for a term commencing from 1 September 2009 and expiring on 28 February 2010, at a monthly rent of RMB900.	The property is currently occupied by the Group for residential purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement dated 1 March 2009 entered into between Lang Shengjie (朗聖傑) and Hengyang Yingde Gases Company Limited ("Hengyang Yingde"), an indirect wholly-owned subsidiary of the Company, the property is leased to Hengyang Yingde for a term commencing from 1 September 2009 and expiring on 28 February 2010, at a monthly rent of RMB900, exclusive of water and electricity charges.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) The non-registration of the Tenancy Agreement with the building administration authorities will not affect the validity of the Tenancy Agreement.
 - (ii) Hengyang Yingde may not be able to use the property subject to the claim from the relevant administration authorities and the property owner.

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PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2009 RMB
25.	A parcel of land and 7 units of a composite building located at No. 1 Group 9 Pudun Village Wudun Town Qingpu District Huai'an City Jiangsu Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 4,973.36 sq.m. and 3 units on Level 1 and 4 units on Level 2 of a 2-storey composite building erected thereon completed in about 2008.</p> <p>The units have a total lettable area of approximately 150 sq.m.</p> <p>The property is leased to Jiangsu Yingde Logistics Company Limited from an independent third party for a term commencing from 6 April 2009 and expiring on 5 April 2010, at an annual rent of RMB96,004.</p>	The property is currently occupied by the Group for storage and office purposes.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement entered into between Huai'an North Logistics Co., Ltd. (淮安北方物流有限公司) and Jiangsu Yingde Logistics Company Limited ("Yingde Logistics"), an indirect wholly-owned subsidiary of the Company, the property is leased to Yingde Logistics for a term commencing from 6 April 2009 and expiring on 5 April 2010, at an annual rent of RMB96,004.
2. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - (i) Yingde Logistics may not be able to use the property subject to the claim from the relevant administration authorities and the property owner.