

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at September 30, 2011 of the property interests of the Group.*



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Licence No: C-030171

November 29, 2011

The Board of Directors  
**China First Chemical Holdings Limited**

Dear Sirs,

In accordance with your instructions to value the properties in which China First Chemical Holdings 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 September 30, 2011 (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. 7 in Group I by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

Where, due to the nature of the buildings and structures of property nos. 1, 2, 4, 5, 6, 8 and Part A of property no. 3 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 therefore been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.” 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 optimisation. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

In valuing the property interest of Part B of property no. 3 in Group I which is currently under construction, we have assumed that they will be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of value, we have taken into account the construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees to be expended to complete the development.

We have attributed no commercial value to the property interest in Group III, which is leased by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

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 charge, mortgage or amount owing on any of the property interests valued nor for any expense 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 requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

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 (the “LURCs”), Building Ownership Certificates (the “BOCs”) 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 title to the property interests in the PRC and any material encumbrance 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 adviser — Zhong Lun Law Firm, 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 title 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 for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any

serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. 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 arrive 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).

Our valuation is summarized 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*  
*Chief Valuation Adviser*

**Eddie T.W. Yiu**  
*MRICS MHKIS RPS(GP)*  
*Associate Director*

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*Notes: Paul L. Brown is a Chartered Surveyor who has 28 years' experience in the valuation of properties in the PRC and 31 years of property valuation experience in Hong Kong and the United Kingdom as well as relevant experience in the Asia-Pacific region.*

*Eddie T.W. Yiu is a Chartered Surveyor who has 17 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.*

## SUMMARY OF VALUES

## Group I — Property interests held and occupied by the Group in the PRC

No.	Property	Capital value	Interest	Capital value
		in existing state as at September 30, 2011	attributable to the Group	attributable to the Group as at September 30, 2011
		RMB		RMB
1.	A parcel of land, various buildings and structures located at Houwei Village Tangqian Town Yongtai County Fuzhou City Fujian Province The PRC	103,477,000	97.27%	100,652,000
2.	9 parcels of land, various buildings and structures known as Fuquanxi Cascade Hydropower Station located at Fuquan, Tong'an and Dayang Towns Yongtai County Fuzhou City Fujian Province The PRC	154,554,000	97.27%	150,335,000
3.	12 parcels of land, various buildings and structures located at Fupu Road Fuwen Village Dagan Town Shunchang County Nanping City Fujian Province The PRC	107,353,000	100%	107,353,000
4.	A parcel of land, various buildings and structures No. 215 Chengnan Road Pingnan County Ningde City Fujian Province The PRC	49,367,000	100%	49,367,000

No.	Property	Capital value in existing state as at September 30, 2011 RMB	Interest attributable to the Group	Capital value attributable to the Group as at September 30, 2011 RMB
5.	A parcel of land and a solid waste dam located at Houlong Village Pingcheng Town Pingnan County Ningde City Fujian Province The PRC	3,781,000	100%	3,781,000
6.	A parcel of land, various buildings and structures located at Xiping Village Pingcheng Town Pingnan County Ningde City Fujian Province The PRC	8,120,000	100%	8,120,000
7.	Units 13, 14 and a car parking garage on Level 1 of Block 4 of Chang Fu Xin Yuan No. 189 Changle North Road Wangzhuang Street Jin'an District Fuzhou City Fujian Province The PRC	1,015,000	97.27%	987,000
8.	3 warehouses and various structures located at Yongfeng Village Jingxi Town Minhou County Fuzhou City Fujian Province The PRC	No commercial value	97.27%	No commercial value
<b>Sub-total:</b>		<b>427,667,000</b>		<b>420,595,000</b>

## Group II — Property interest held for future development by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at September 30, 2011</u>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at September 30, 2011</u>
		RMB		RMB
9.	A parcel of land located at Fupu Road Fuwen Village Dagan Town Shunchang County Nanping City Fujian Province The PRC	2,200,000	100%	2,200,000
	<b>Sub-total:</b>	<u>2,200,000</u>		<u>2,200,000</u>

## Group III — Property interest leased and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<b>Capital value in existing state as at September 30, 2011</b>
		<b>RMB</b>
10.	Level 19 and Units A and C on Level 22 of Ping An Building No. 88 Wuyi Zhong Road Taijiang District Fuzhou City Fujian Province The PRC	No commercial value
	<b>Sub-total:</b>	<u>Nil</u>
		<b>Capital value attributable to the Group as at September 30, 2011</b>
		<b>Capital value in existing state as at September 30, 2011</b>
		<b>RMB</b>
	<b>Grand total:</b>	<b>422,795,000</b>
		<b><u>429,867,000</u></b>

## 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
				September 30, 2011
				RMB
1.	A parcel of land, various buildings and structures located at Houwei Village Tangqian Town Yongtai County Fuzhou City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 135,800 sq.m. and 24 buildings and various structures erected thereon which were completed in various stages between 2000 and 2002.</p> <p>The buildings have a total gross floor area of approximately 40,122.32 sq.m. and the details of uses and their respective gross floor areas are set out as follows:</p>	The property is currently occupied by the Group for production, storage, office, staff quarters and ancillary purposes.	103,477,000  97.27% interest attributable to the Group: RMB100,652,000

Use	No. of Item	Gross Floor Area (sq.m.)
Production	10	25,592.99
Office	1	2,817.60
Warehouse	7	5,408.75
Staff quarters	2	5,272.00
Ancillary	4	1,030.98
<b>Total</b>	<b>24</b>	<b>40,122.32</b>

The structures mainly comprise plant area roads, boundary walls, metal sheds and gates.

The land use rights of the property have been granted for a term of 50 years expiring in August 2055 for industrial use.

## Notes:

1. Pursuant to a LURC — Zhang Guo Yong (2005) Di No. 0708-1, the land use rights of the property with a site area of approximately 135,800 sq.m. have been granted to Fuzhou Yihua Chemical Stock Co., Ltd. (“Fuzhou Yihua”), a 97.27% interest owned subsidiary of the Company, for a term of 50 years expiring in August 2055 for industrial use.
2. Pursuant to 24 BOCs — Zhang Fang Quan Zheng Z Zi Di Nos. 0380086 to 0380109, 24 buildings with a total gross floor area of approximately 40,122.32 sq.m. are owned by Fuzhou Yihua.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
  - a. The Group has legally obtained the land use rights of the property as mentioned in note 1 and has the rights to use, transfer, lease or mortgage such land use rights in accordance with the PRC laws, and the Group has used the land parcel of the property in accordance with the usage stated in the LURC;



- b. The Group has legally and validly obtained the ownership rights of the buildings as mentioned in note 2, and has the rights to occupy, use, lease, transfer and mortgage such buildings in accordance with the PRC laws; and
- c. The land use rights and ownership rights of the buildings are not subject to any sequestration, mortgage or any restriction arising from any other third parties.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2011																		
				RMB																		
2.	9 parcels of land, various buildings and structures known as Fuquanxi Cascade Hydropower Station located at Fuquan, Tong'an and Dayang Towns Yongtai County Fuzhou City Fujian Province The PRC	<p>The property comprises 9 parcels of land with a total site area of approximately 1,891,086.2 sq.m. and 37 buildings and various structures erected thereon which were completed in various stages between 1985 and 1995.</p> <p>The buildings have a total gross floor area of approximately 12,959.19 sq.m. and the details of uses and their respective gross floor areas are set out as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>No. of Item</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>13</td> <td>5,241.07</td> </tr> <tr> <td>Office</td> <td>3</td> <td>1,520.63</td> </tr> <tr> <td>Staff quarters</td> <td>15</td> <td>5,219.62</td> </tr> <tr> <td>Ancillary</td> <td>6</td> <td>977.87</td> </tr> <tr> <td><b>Total</b></td> <td><b>37</b></td> <td><b>12,959.19</b></td> </tr> </tbody> </table>	Use	No. of Item	Gross Floor Area (sq.m.)	Industrial	13	5,241.07	Office	3	1,520.63	Staff quarters	15	5,219.62	Ancillary	6	977.87	<b>Total</b>	<b>37</b>	<b>12,959.19</b>	<p>The property is currently occupied by the Group for hydropower station and relative supporting industrial, office, staff quarters and ancillary purposes.</p>	<p>154,554,000</p> <p>97.27% interest attributable to the Group: RMB150,335,000</p>
Use	No. of Item	Gross Floor Area (sq.m.)																				
Industrial	13	5,241.07																				
Office	3	1,520.63																				
Staff quarters	15	5,219.62																				
Ancillary	6	977.87																				
<b>Total</b>	<b>37</b>	<b>12,959.19</b>																				
		<p>The structures mainly comprise roads, boundary walls, dams and gates.</p> <p>The land use rights of the property have been granted for terms of 50 years commencing from August 28, 2001 for hydropower station and reservoir uses.</p>																				

*Notes:*

- Pursuant to a Land Use Rights Grant Contract dated May 27, 2003 entered into between the State-owned Land Resources Bureau of Yongtai County (永泰縣國土資源局) and Fuzhou Yihua Chemical Stock Co., Ltd. ("Fuzhou Yihua"), a 97.27% interest owned subsidiary of the Company, the land use rights of the property were contracted to be granted to Fuzhou Yihua for terms of 50 years commencing from August 28, 2001 for hydropower station use. The land use rights premium was RMB35,174,186.58.
- Pursuant to 9 LURCs — Zhang Guo Yong (2003) Zi Di Nos. 0608-1 to 0616-1, the land use rights of the property with a total site area of approximately 1,891,086.2 sq.m. have been granted to Fuzhou Yihua for terms of 50 years commencing from August 28, 2001 for hydropower station and reservoir uses.
- Pursuant to 37 BOCs — Zhang Fang Quan Zheng Z Zi Di Nos. 0380031 to 0380067, 37 buildings with a total gross floor area of approximately 12,959.19 sq.m. are owned by Fuzhou Yihua.
- Pursuant to a Mortgage Contract of Maximum Amount, the land use rights of the property with a total site area of approximately 1,891,086.2 sq.m., 37 buildings with a total gross floor area of approximately 12,959.19 sq.m. and various structures located

thereon are subject to a mortgage in favor of Industrial and Commercial Bank of China Company Limited Fuzhou Mindu Sub-branch (the "Bank"), as security to guarantee the principal obligation under a series of loan contracts entered into between the Bank and Fuzhou Yihua from June 30, 2006 to December 2, 2012 for a maximum amount of RMB177,100,000.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
  - a. Subject to note 5(c) below, the Group has legally obtained the land use rights of the property as mentioned in note 2 and has the rights to use, transfer, lease or mortgage such land use rights in accordance with the PRC laws, and the Group has used the land parcels of the property in accordance with the usage stated in the LURCs;
  - b. Subject to note 5(c) below, the Group has legally and validly obtained the ownership rights of the buildings as mentioned in note 3 and has the rights to occupy, use, lease, transfer and mortgage such buildings in accordance with the PRC laws;
  - c. For the land use rights of the property and ownership rights of the buildings and structures which are subject to a mortgage as mentioned in note 4, the Group should obtain consent from the mortgagee in advance when remortgaging, pledging, leasing, transferring, presenting or otherwise disposing of such land use rights and ownership rights of the buildings and structures; and
  - d. Except for the aforesaid mortgage, the land use rights and ownership rights of the buildings are not subject to any other sequestration, mortgage or any restriction arising from any other third parties.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2011
				RMB
3.	12 parcels of land, various buildings and structures located at Fupu Road Fuwen Village Dagan Town Shunchang County Nanping City Fujian Province The PRC	<p>The property comprises 12 parcels of land with a total site area of approximately 234,953.22 sq.m. and 65 buildings and various structures erected thereon which were completed in various stages between 1973 and 2011. (“Part A”)</p> <p>The buildings of Part A have a total gross floor area of approximately 47,793.84 sq.m. and the details of uses and their respective gross floor areas are set out as follows:</p>	Part A of the property is currently occupied by the Group for production, storage, office, staff quarters and ancillary purposes whilst Part B of the property is currently under construction.	<p>107,353,000</p> <p>100% interest attributable to the Group: RMB107,353,000</p>

Use	No. of Item	Gross Floor Area (sq.m.)
Industrial	39	29,574.86
Office	5	5,108.24
Warehouse	12	7,091.87
Staff quarters	1	2,036.21
Ancillary	8	3,982.66
<b>Total</b>	<b>65</b>	<b>47,793.84</b>

The structures of Part A mainly comprise roads, boundary walls and gates.

In addition to Part A, the property also comprises 3 industrial buildings under construction located on the land parcels of Part A. (“Part B”)

As advised by the Group, the development of Part B is scheduled to be completed in December 2011. Upon completion, Part B will have a total gross floor area of approximately 2,691 sq.m.

The total construction cost of the development of Part B is estimated to be approximately RMB5,595,327, of which approximately RMB4,495,327 has been paid up to the date of valuation.

The land use rights of the property have been granted for terms expiring on June 19, 2056 and July 7, 2055 for industrial use and June 18, 2076 for residential use.

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*Notes:*

1. Pursuant to a Land Use Rights Grant Contract dated June 19, 2006 entered into between the State-owned Land Resources Bureau of Shunchang County (順昌縣國土資源局) and Fujian Rongchang Chemical Co., Ltd. (“Fujian Rongchang”), an indirect wholly-owned subsidiary of the Company, the land use rights of 11 parcels of land of the property with a total site area of approximately 224,736.27 sq.m. together with the land use rights of property no. 9 with a site area of approximately 15,065.71 sq.m. were contracted to be granted to Fujian Rongchang for terms of 50 years commencing from June 19, 2006 for industrial use. The land use rights premium was RMB46,746,041.58.
2. Pursuant to a Land Use Rights Grant Contract dated June 19, 2006 entered into between the State-owned Land Resources Bureau of Shunchang County and Fujian Rongchang, the land use rights of the remaining parcel of land of the property with a site area of approximately 8,210.95 sq.m. were contracted to be granted to Fujian Rongchang for a term of 70 years commencing from June 19, 2006 for residential use. The land use rights premium was RMB1,675,198.02.
3. Pursuant to a Fixed Assets Transfer Contract dated December 13, 2010 entered into between Fujian Shunchang Guanneng Gas Company Limited (福建省順昌冠能氣體有限公司) (“Guanneng”) and Fujian Rongchang, a parcel of land with a site area of approximately 2,006 sq.m. and an industrial building with a gross floor area of approximately 812.48 sq.m. together with various machineries were contracted to be transferred to Fujian Rongchang at a total consideration of RMB2,600,000.
4. Pursuant to 11 LURCs — Shun Guo Yong (2010) Di Nos. 1-10984 to 1-10992 and 00165, and Shun Guo Yong (2011) Di No. 00367, the land use rights of 11 parcels of land of the property with a total site area of approximately 226,742.27 sq.m. have been granted to Fujian Rongchang, for terms expiring on June 19, 2056 and July 7, 2055 for industrial use.
5. Pursuant to a LURC — Shun Guo Yong (2008) Di No. 1-11149, the land use rights of the remaining parcel of land of the property with a site area of approximately 8,210.95 sq.m. have been granted to Fujian Rongchang, for a term expiring on June 18, 2076 for residential use.
6. Pursuant to 65 BOCs — Shun Fang Quan Zheng Da Gan Zi Di Nos. 0354 and 0363, Shun Fang Quan Zheng Zi Di Nos. 20080536 to 20080539, 20080541, 20080542, 20080545 to 20080561, 20080563 to 20080579, 20080581 to 20080591, Shun Fang Quan Zheng Shun Chang Zi Di Nos. 20092354, 20102667 to 20102669, 20110666, 20110975, 20110976 and 20112399 to 20112403, 65 buildings with a total gross floor area of approximately 47,793.84 sq.m. are owned by Fujian Rongchang.
7. Pursuant to a Mortgage Contract of Maximum Amount, the land use rights of the property with a total site area of approximately 51,797.7 sq.m. and 3 buildings of the property with a total gross floor area of approximately 3,516.8 sq.m. are subject to a mortgage in favor of Industrial and Commercial Bank of China Limited Shunchang Sub-branch (“the Bank”), as security to guarantee the principal obligation under a series of loan contracts entered into between the Bank and Fujian Rongchang from April 14, 2011 to April 13, 2014.
8. Pursuant to a Construction Land Planning Permit — Di Zi Di No. 350721200900042 in favor of Fujian Rongchang, permission towards the planning of the site of Part B with a total site area of approximately 3,374.07 sq.m. (included in the site area of Part A) have been granted to Fujian Rongchang.
9. Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 35072120100003 in favor of Fujian Rongchang, Part B have been approved for construction.
10. Pursuant to a Construction Work Commencement Permit — No. 352101201110170124 in favor of Fujian Rongchang, permission by the relevant local authority is given to commence the construction works of Part B.
11. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
  - a. Subject to note 11(c) below, the Group has legally obtained the land use rights of the property as mentioned in notes 4 and 5 and has the rights to use, transfer, lease or mortgage such land use rights in accordance with the PRC laws, and the Group has used the land parcels of the property in accordance with the usage stated in the LURCs;

- b. Subject to note 11(c) below, the Group has legally and validly obtained the ownership rights of the buildings as mentioned in note 6 and has the rights to occupy, use, lease, transfer and mortgage such buildings in accordance with the PRC laws;
- c. For the land use rights of the property and ownership rights of the buildings which are subject to mortgage mentioned in note 7, the Group should obtain consent from the mortgagee in advance when remortgaging, pledging, leasing, transferring, presenting or otherwise disposing of such land use rights and ownership rights of the buildings;
- d. Except for the aforesaid mortgage, the land use rights and ownership rights of the buildings are not subject to any other sequestration, mortgage or any restriction arising from any other third parties; and
- e. The Group has legally and fully obtained the relevant construction permits of Part B and has no substantial legal impediments to obtain relevant title certificates after the completion of construction works.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2011 RMB
4.	A parcel of land, various buildings and structures No. 215 Chengnan Road Pingnan County Ningde City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 78,153.72 sq.m. and 37 buildings and various structures erected thereon which were completed in various stages between 1994 and 2006.</p> <p>The buildings have a total gross floor area of approximately 25,510.72 sq.m. and the details of uses and their respective gross floor areas are set out as follows:</p>	The property is currently occupied by the Group for production, storage, office, staff quarters and ancillary purposes.	49,367,000  100% interest attributable to the Group: RMB49,367,000

Use	No. of Item	Gross Floor Area (sq.m.)
Production	15	12,839.38
Office	1	2,490.26
Warehouse	12	7,419.30
Staff quarters	1	1,843.16
Ancillary	8	918.62
<b>Total</b>	<b>37</b>	<b>25,510.72</b>

The structures mainly comprise plant area roads, boundary walls, and gates.

The land use rights of the property have been granted for a term of 50 years expiring on September 7, 2059 for industrial use.

## Notes:

- Pursuant to a Land Use Rights Grant Contract dated September 7, 2009 entered into between the State-owned Land Resources Bureau of Pingnan County (屏南縣國土資源局) and Fujian Rongping Chemical Co., Ltd. ("Fujian Rongping"), an indirect wholly-owned subsidiary of the Company, the land use rights of the property were contracted to be granted to Fujian Rongping for a term of 50 years commencing from September 7, 2009 for industrial use. The land use rights premium was RMB8,206,100.
- Pursuant to a LURC — Ping Guo Yong (2003) Zi Di No. 005, the land use rights of the property with a site area of approximately 78,153.72 sq.m. have been granted to Fujian Rongping, for a term of 50 years expiring on September 7, 2059 for industrial use.
- Pursuant to 8 BOCs — Ping Fang Quan Zheng Gu Feng Zi Di Nos. 2004, 2252 and 2983 to 2988, 37 buildings with a total gross floor area of approximately 25,510.72 sq.m. are owned by Fujian Rongping.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
  - a. The Group has legally obtained the land use rights of the property as mentioned in note 2 and has the rights to use, transfer, lease or mortgage such land use rights in accordance with the PRC laws, and the Group has used the land parcel of the property in accordance with the usage stated in the LURC;
  - b. The Group has legally and validly obtained the ownership rights of the buildings as mentioned in note 3, and has the rights to occupy, use, lease, transfer and mortgage such buildings in accordance with the PRC laws; and
  - c. The land use rights and ownership rights of the buildings are not subject to any other sequestration, mortgage or any restriction arising from any other third parties.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2011
				RMB
5.	A parcel of land and a solid waste dam located at Houlong Village Pingcheng Town Pingnan County Ningde City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 7,157.79 sq.m. and a solid waste dam erected thereon which was completed in 2007.</p> <p>The land use rights of the property have been granted for a term expiring on May 15, 2045 for industrial use.</p>	The property is currently occupied by the Group for solid waste landfill purpose.	<p>3,781,000</p> <p>100% interest attributable to the Group:</p> <p>RMB3,781,000</p>

*Notes:*

1. Pursuant to a Land Use Rights Grant Contract dated May 6, 2006 entered into between the State-owned Land Resources Bureau of Pingnan County (屏南縣國土資源局) and Fujian Rongping Chemical Co., Ltd. ("Fujian Rongping"), an indirect wholly-owned subsidiary of the Company, the land use rights of the property were contracted to be granted to Fujian Rongping for a term commencing from May 18, 2006 for industrial use. The land use rights premium was RMB565,760.
2. Pursuant to a LURC — Ping Zheng Guo Yong (2010) Di No. 0065, the land use rights of the property with a site area of approximately 7,157.79 sq.m. have been granted to Fujian Rongping, for a term expiring on May 15, 2045 for industrial use.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
  - a. The Group has legally obtained the land use rights of the property as mentioned in note 2 and has the rights to use, transfer, lease or mortgage such land use rights in accordance with the PRC laws;
  - b. The Group has used the land parcel of the property in accordance with the usage stated in the LURC; and
  - c. The land use rights of the property are not subject to any sequestration, mortgage or any restriction arising from any other third parties.

## VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at September 30, 2011</u> <b>RMB</b>
6.	A parcel of land, various buildings and structures located at Xiping Village Pingcheng Town Pingnan County Ningde City Fujian Province The PRC	The property comprises a parcel of land with a site area of approximately 23,512.53 sq.m. and 8 buildings and various structures erected thereon known as hydrogen peroxide project (the "Hydrogen Peroxide Project") which were completed in December 2010.  The buildings have a total gross floor area of approximately 6,417 sq.m. and the details of uses and their respective gross floor areas are set out as follows:	The property is currently occupied by the Group for production, office and ancillary purposes.	8,120,000  100% interest attributable to the Group: RMB8,120,000

<u>Use</u>	<u>No. of Item</u>	<u>Gross Floor Area</u>
		(sq.m.)
Production	1	3,483
Office	1	1,700
Ancillary	6	1,234
<b>Total</b>	<b>8</b>	<b>6,417</b>

The structures mainly comprise plant area roads, boundary walls and gates.

The land use rights of the property have been granted for a term expiring on July 7, 2058 for industrial use.

Notes:

- Pursuant to 2 Land Use Rights Grant Contracts dated March 15, 2006 and July 8, 2008 entered into between the State-owned Land Resources Bureau of Pingnan County (屏南縣國土資源局) and Fujian (Pingnan) Rongping Chemical Company Limited ("Fujian Rongping"), an indirect wholly-owned subsidiary of the Company, the land use rights of the property were contracted to be granted to Fujian Rongping for a term of 50 years for industrial use. The total land use rights premium was RMB474,382.
- Pursuant to a LURC — Ping Zheng Guo Yong (2008) Di No. 0242, the land use rights of the property with a site area of approximately 23,512.53 sq.m. have been granted to Fujian Rongping, for a term expiring on July 7, 2058 for industrial use.
- Pursuant to a Construction Land Planning Permit — Di Zi Di No. 350923200800050 in favor of Fujian Rongping, permission towards the planning of the site of the property have been granted to Fujian Rongchang.
- Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 350923200900025 in favor of Fujian Rongping, the Hydrogen Peroxide Project have been approved for construction.
- Pursuant to a Construction Work Commencement Permit — No. 352228200904130101 in favor of Fujian Rongping, permission by the relevant local authority is given to commence the construction works of the Hydrogen Peroxide Project.

6. As advised by the Group, the BOCs of the property are under application with the relevant authorities and are expected to be obtained in December 2011.
7. In the valuation of the property, we have attributed no commercial value to the 8 buildings which have not obtained the relevant BOCs. However, for reference purpose, we are of the opinion that the aggregate depreciated replacement cost of the buildings (excluding the land) as at the date of valuation would be RMB12,238,000, assuming the relevant title certificates have been fully obtained and they could be freely transferred.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
  - a. The Group has legally obtained the land use rights of the property as mentioned in note 2 and has the rights to use, transfer, lease or mortgage such land use rights in accordance with the PRC laws;
  - b. The Group has used the land parcel of the property in accordance with the usage stated in the LURC;
  - c. The land use rights of the property are not subject to any sequestration, mortgage or any restriction arising from any other third parties; and
  - d. The Group has legally and fully obtained the relevant construction permits of the Hydrogen Peroxide Project and has no substantial legal impediments to obtain relevant title certificates after the completion of construction works.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2011
				RMB
7.	Units 13, 14 and a car parking garage on Level 1 of Block 4 of Chang Fu Xin Yuan No. 189 Changle North Road Wangzhuang Street Jin'an District Fuzhou City Fujian Province The PRC	<p>The property comprises 2 commercial units and a car parking garage on Level 1 of a 9-storey residential/commercial building known as Block 4 of Chang Fu Xin Yuan completed in 2001.</p> <p>The commercial units have a total gross floor area of approximately 68.8 sq.m. and the garage has a gross floor area of approximately 47.5 sq.m.</p> <p>The land use rights of the property have been granted for terms of 40 years expiring on August 15, 2035 for commercial use and 70 years expiring on August 15, 2065 for residential use.</p>	<p>The property is currently occupied by the Group for commercial and car parking purposes.</p>	<p>1,015,000</p> <p>97.27% interest attributed to the Group: RMB987,000</p>

*Notes:*

1. Pursuant to 3 BOCs — Rong Fang Quan Zheng R Zi Di Nos. 1104471 to 1104473, 2 commercial units and a car parking garage with a total gross floor area of approximately 116.3 sq.m. are owned by Fuzhou Yihua Chemical Stock Co., Ltd. ("Fuzhou Yihua"), a 97.27% interest owned subsidiary of the Company.
2. Pursuant to 3 LURCs — Rong Jin Guo Yong (2011) Di Nos. 00333202562 to 00333202564, the land use rights of the property with a total apportioned site area of approximately 14.7 sq.m. have been granted to Fuzhou Yihua, for terms of 40 years expiring on August 15, 2035 for commercial use and 70 years expiring on August 15, 2065 for residential use.
3. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
  - a. The Group has legally obtained the ownership rights of the property as mentioned in note 1 and has the rights to occupy, use, lease, transfer and mortgage such property in accordance with the PRC laws; and
  - b. The ownership rights of the property are not subject to any sequestration, mortgage or any restriction arising from any other third parties.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state
				as at September 30, 2011
				RMB
8.	3 warehouses and various structures located at Yongfeng Village Jingxi Town Minhou County Fuzhou City Fujian Province The PRC	<p>The property comprises 3 warehouses and various structures known as Duwu warehouse (“the Duwu Warehouse”) which were completed in 2001.</p> <p>The warehouses have a total gross floor area of approximately 1,716.91 sq.m.</p> <p>The structures of the Duwu Warehouse mainly include metal sheds.</p> <p>Pursuant to an Affiliated Agreement and a Supplemental Agreement, the land parcel of which the Duwu Warehouse is erected thereon with a site area of approximately 11.12 Mu (7,413.34 sq.m.) was contracted to be occupied by Fuzhou Yihua Chemical Stock Co., Ltd. (“Fuzhou Yihua”), a 97.27% interest owned subsidiary of the Company (see note 2).</p>	The property is currently occupied by the Group for warehouse purpose.	No commercial value

## Notes:

1. Pursuant to a BOC — Hou Fang Quan Zheng H Zi Di No. 0100867, 3 buildings with a total gross floor area of approximately 1,716.91 sq.m. are owned by Fuzhou Yihua and the Villagers’ Committee of Jingxi Town, Yongfeng Village of Minhou County (閩候縣荊溪鎮永豐村民委員會) (the “Villagers’ Committee”), an independent third party of the Company, with an allocated ownership rights of 90% and 10% respectively.
2. Pursuant to an Affiliated Agreement and a Supplemental Agreement entered into between Fuzhou Yihua and the Villagers’ Committee, a parcel of land with a site area of approximately 11.12 Mu (7,413.34 sq.m.) was contracted to be occupied by Fuzhou Yihua for a term of 30 years commencing from December 30, 1995 and expiring on December 29, 2025, at an annual payment of RMB26,000.
3. In the valuation of the property, we have attributed no commercial value to the 3 buildings and structures on the land which has not obtained the relevant LURCs. However, for reference purpose, we are of the opinion that the aggregate depreciated replacement cost of the building and structures (excluding the land) as at the date of valuation would be RMB2,192,000, assuming the relevant title certificates have been fully obtained and they could be freely transferred.
4. 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 adviser, which contains, *inter alia*, the following:
  - a. The Group has legally obtained the ownership rights of the buildings as mentioned in note 1 and has the rights to occupy and use such buildings in accordance with the PRC laws; and
  - b. The buildings as mentioned in note 1 are erected on land which has not obtained any LURCs and therefore they could not be freely transferred, but it is of low realistic risk that such buildings will be ordered to be demolished by the local authorities.

## VALUATION CERTIFICATE

## Group II — Property interest held for future development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2011 RMB
9.	A parcel of land located at Fupu Road Fuwen Village Dagan Town Shunchang County Nanping City Fujian Province The PRC	The property comprises a parcel of land with a site area of approximately 15,065.71 sq.m.  The land use rights of the property have been granted for a term expiring on June 19, 2056 for industrial use.	The property is currently vacant.	2,200,000  100% interest attributable to the Group: RMB2,200,000

*Notes:*

1. Pursuant to a Land Use Rights Grant Contract dated June 19, 2006 entered into between the State-owned Land Resources Bureau of Shunchang County (順昌縣國土資源局) and Fujian Rongchang Chemical Co., Ltd. (“Fujian Rongchang”), an indirect wholly-owned subsidiary of the Company, the land use rights of the property with a site area of approximately 15,065.71 sq.m. together with the land use rights of portion of property no. 3 with a total site area of approximately 224,736.27 sq.m. were contracted to be granted to Fujian Rongchang for terms of 50 years commencing from June 19, 2006 for industrial use. The land use rights premium was RMB46,746,041.58.
2. Pursuant to a LURC — Shun Guo Yong (2008) Di No. 1-11151, the land use rights of the property with a site area of approximately 15,065.71 sq.m. have been granted to Fujian Rongchang, for a term expiring on June 19, 2056 for industrial use.
3. As confirmed by the Group, the property is currently vacant and no development plan has been designed and scheduled for any construction work thereon.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
  - a. The Group has legally obtained the land use rights of the property as mentioned in note 2 and has the rights to use, transfer, lease or mortgage such land use rights in accordance with the PRC laws; and
  - b. The land use rights of the property are not subject to any sequestration, mortgage or any restrictions arising from any other third parties.

## VALUATION CERTIFICATE

## Group III — Property interest leased and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at September 30, 2011 RMB
10.	Level 19 and Units A and C on Level 22 of Ping An Building No. 88 Wuyi Zhong Road Taijiang District Fuzhou City Fujian Province The PRC	<p>The property comprises Level 19 and 2 units on Level 22 of a 29-storey office building known as Ping An Building completed in 2000.</p> <p>The property has a total lettable area of approximately 1,846 sq.m.</p> <p>The property is leased to Fuzhou Yihua Chemical Stock Co., Ltd. (“Fuzhou Yihua”), a 97.27% interest owned subsidiary of the Company, from an independent third party for various terms commencing from March 20, 2010, April 1, 2010 and June 1, 2010 and all expiring on March 19, 2012, at a total monthly rent of RMB83,713 exclusive of management fees and other outgoings.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

*Notes:*

1. Pursuant to 3 Tenancy Agreements, the property is leased to Fuzhou Yihua from Fujian Branch of Ping'an Life Insurance Company of China, Limited (中國平安人壽保險股份有限公司福建分公司) (the “Lessor”), an independent third party of the Company, for various terms commencing from March 20, 2010, April 1, 2010 and June 1, 2010 and all expiring on March 19, 2012, at a total monthly rent of RMB83,713 exclusive of management fees and other outgoings.
2. We have been provided with a legal opinion on the legality of the tenancy agreements to the property issued by the Company's PRC legal adviser, which contains, *inter alia*, the following:
  - a. The Lessor has obtained the relevant title certificates of the property and has the rights to lease the property;
  - b. The terms of the Tenancy Agreements are legal, valid and binding to both sides of the tenancy; and
  - c. The Tenancy Agreements have been registered with the relevant local authorities by the Lessor.