

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 Norton Appraisals Limited, an independent professional surveyor firm, in connection with its valuation as at 31 October 2011 of the property interests of the Group.



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30 December 2011

The Directors
Allied Cement Holdings Limited
22/F, Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with the instructions from Allied Cement Holdings Limited (hereinafter referred to as the “Company”) for us to value the property interests held and leased by the Company and its subsidiaries (hereinafter together referred to as the “Group”) located in the People’s Republic of China (hereinafter referred to as the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such property interests as at 31 October 2011 (hereinafter referred to as the “Date of Valuation”).

Basis of Valuation

Our valuation is our opinion of 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”.

Valuation Methodology

In valuing Property No. 1 in Group I, due to the nature of buildings and structures constructed, there are no readily identifiable market comparables and accordingly this property cannot be valued by comparison with open market transactions. Therefore, we have adopted the Depreciated Replacement Cost (“DRC”) Approach in arriving at the value of such property interest. The DRC Approach is based on an estimate of the market value for the existing use of the land in the property, and the costs to reproduce or replace in new condition the buildings and structures being valued in accordance with current construction costs for similar buildings and structures in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The DRC Approach generally furnishes the most reliable indication of value for property in the absence of a known market, based on comparable sales.

In valuing Property Nos. 2 to 6 in Group I, we have valued these properties by Direct Comparison Approach assuming sale of these property interests in their existing states with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market.

We have not attributed any commercial value to Property Nos. 7 to 9 in Groups I & II due to the lack of title proof and Property Nos. 10 to 13 in Group III which are leased 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.

Valuation Assumptions

Our valuation of each of the properties has been made on the assumption that such property is sold on the open market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect its value. In addition, no account has been taken of any option or right of pre-emption concerning or affecting sales of the property interests and no forced sale situation in any manner is assumed in our valuations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on any of the property interests valued or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

Title Investigation

We have been provided by the Group with extract copies of documents in relation to the titles for the property interests in the PRC. We have not examined the original documents to verify the ownership and to ascertain the existence of any amendments that may not appear on the copies handed to us. In the course of our valuation, we have relied on the advice given by the Company and the legal opinion prepared by Zhong Lun W&D Law Firm, the Group's legal adviser on the PRC law (hereinafter referred to as the "PRC Legal Adviser"), regarding the titles for the property interests.

Limiting Conditions

We have inspected the exterior and, where possible the interior of the property interests. In the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out on-site measurements to verify the correctness of the site and floor areas of the property interests but have assumed that the site and floor areas shown on the documents available to us are correct. Dimensions, measurements and areas included in the attached valuation certificates are based on information contained in the documents provided to us and are, therefore, only approximations.

Furthermore, we have not carried out any site investigations to determine or otherwise the suitability of the ground conditions, the presence or otherwise of contamination and the provision of or otherwise suitability for services, etc. for future development.

We have relied to a considerable extent on the information provided by the Group and the legal opinion of the PRC Legal Adviser. We have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, development proposals, construction costs already expended, estimated total construction costs, site and floor areas and all other relevant materials in the identification of the properties in which the Group has valid interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We were also advised by the Group that no material facts have been omitted from the information provided. 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.

In our valuation, we have complied with all the requirements contained in the Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, The Codes on Takeovers and Mergers and Share Repurchase issued by The Securities and Future Commission and The HKIS Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors.

Remarks

Unless otherwise stated, all monetary amounts stated in our valuation certificates are in Renminbi (RMB).

Our Summary of Values and the Valuation Certificates are attached herewith.

Yours faithfully,
For and on behalf of
Norton Appraisals Limited
Paul M. K. Wong
MRICS, MHKIS, RPS (G.P.)
Director

Note: Mr. Paul M. K. Wong is a Registered Professional Surveyor who has more than 20 years' experience in valuation of properties in Hong Kong and in the PRC.

SUMMARY OF VALUES

Property	Capital value in existing state as at 31 October 2011 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2011 RMB
Group I — Property interests owned and occupied by the Group in the PRC			
1. Land and buildings in the factory complex of Shandong Allied Wangchao Cement Limited located at Dundong Village, Jiantouji Town, Taierzhuang District, Zaozhuang City, Shandong Province, the PRC	81,200,000	100%	81,200,000
2. Units 2002 and 2004 Residential Block of Everbright Convention and Exhibition Centre, 86 Caobao Road, Xuhui District, Shanghai, the PRC	4,400,000	49.98%	2,199,120
3. Unit 1603 of Jin Xuan Buildings, No. 3, Lane 228, East Nandan Road, Xuhui District, Shanghai, the PRC	2,370,000	49.98%	1,184,526
4. Units 201 and 202, Jin Cheng Lu Yuan No. 69, Lane 398, Shenbei Road, Minhang District, Shanghai, the PRC	3,600,000	49.98%	1,799,280

Property	Capital value in existing state as at 31 October 2011 RMB	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2011 RMB
5. Room 102, Building 27, 張江集電港二期(西塊) (Zhangjiang Semiconductor Industry Park Phase II (West Site)), No. 1388 Zhangdong Road, Pudong New District, Shanghai, the PRC	20,800,000	49.98%	10,395,840
6. Unit 20G, 協和公寓第一號樓 (Xiehe Mansion No. 1 Building), No. 13, Lane 814, North Zhongshan Road, Zhabei District, Shanghai, the PRC	1,300,000	49.98%	649,740
7. Unit 1501, Block 2, House No. 3 of Jin Quan Jia Yuan, Datun Road, Chaoyang District, Beijing, the PRC	No Commercial Value	100%	No Commercial Value
8. Unit 11A, 建愛大廈 (Jianai Building), No. 8, Changyang Road, Hongkou District, Shanghai, the PRC	No Commercial Value	49.98%	No Commercial Value
Sub-total:	113,670,000		97,428,506

<u>Property</u>	<u>Capital value in existing state as at 31 October 2011</u> RMB	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 31 October 2011</u> RMB
Group II — Property interest held for sale by the Group in the PRC			
9. Unit 1403, 明都公寓 (Mingdu Apartment), No. 83, Anshun Road, Changning District, Shanghai, the PRC	No Commercial Value	49.98%	No Commercial Value
Sub-total:	<u>No Commercial Value</u>		<u>No Commercial Value</u>
Group III — Property interests leased by the Group in the PRC			
10. No. 19, Lane 2895, Longdong Main Road, Tang Village, Pudong New District, Shanghai, the PRC			No Commercial Value
11. A portion of an industrial complex located in Sunsuzhuang Village, Jiantouji Town, Taierzhuang District, Zaozhuang City, Shandong Province, the PRC			No Commercial Value
12. Jianwei Office Buildings, No. 58 Yanhe Road North, Yuan Taierzhuang District, Zaozhuang City, Shandong Province, the PRC			No Commercial Value
13. A port located at Hanzhuang River, Dundong Village, Taierzhuang District, Zaozhuang City, Shandong Province, the PRC			No Commercial Value
Sub-total:			<u>No Commercial Value</u>
GRAND TOTAL:	<u>113,670,000</u>		<u>97,428,506</u>

VALUATION CERTIFICATE

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

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 October 2011 RMB
1.	Land and buildings in the factory complex of Shandong Allied Wangchao Cement Limited located at Dundong Village, Jiantouji Town, Taierzhuang District, Zaozhuang City, Shandong Province, the PRC	<p>The property comprises a parcel of land with a site area of approximately 141,838 sq.m. together with the buildings and associated structures erected thereon.</p> <p>The buildings mainly include cement production facilities, administrative building, warehouses, dormitories, staff canteen, pump rooms and a boiler room.</p> <p>The buildings have a total registered gross floor area of approximately 20,036 sq.m., completed in about 2005.</p> <p>An additional 4.5 MW waste heat power station and cement grinding station with a total gross floor area of approximately 7,301.21 sq.m. is planned to be completed late 2011.</p> <p>The land use rights of the property have been granted for industrial use for a term expiring on the 6 August 2056.</p>	The property is occupied by Shandong Allied Wangchao Cement Limited for production purpose.	81,200,000 (100% interest attributable to the Group: 81,200,000)

Notes:

SECTION I: TITLE DOCUMENTS

1. Pursuant to the Certificate for State-owned Land Use Rights — Tai Guo Yong (2006) No. 0052 dated 2 February 2006 issued by the 棗莊市台兒莊區人民政府 (the People's Government of Zaozhuang City Taierzhuang District), the land use rights of the property, having a site area of 141,838 sq.m., have been granted to 山東聯合王晁水泥有限公司 (Shandong Allied Wangchao Cement Limited), a wholly owned subsidiary of the Company, with a land use term of 50 years expiring on 6 August 2056 for industrial use.
2. Pursuant to the Contract for Grant of State-owned Land Use Rights No. GF-2000-2601 dated 6 July 2006, the land use rights of the property have been granted to the Shandong Allied Wangchao Cement Limited. The salient conditions as stipulated in the said contract are summarised as follows:
 - (i) Location : 潤頭集鎮頓東村 (Dundong Village, Jiantouji Town)
 - (ii) Site area : 141,838 sq.m.
 - (iii) Land grant consideration : RMB16,453,208
 - (iv) Use : industrial
 - (v) Land use term : 50 years

3. Pursuant to 6 Certificates for Building Ownership issued by 棗莊市房產管理局 (Zaozhuang City Real Estate Administration Bureau) all dated 19 March 2008, the titles of the property are vested in Shandong Allied Wangchao Cement Limited with a total gross floor area of 20,036 sq.m.. The salient details are listed as follows:

<u>Building Ownership Certificate</u>	<u>Use</u>	<u>Total Gross Floor Area</u> (sq.m.)
Zao Fang Quan Zheng Tai Zi No. JT-0027	Industrial	3,683.39
Zao Fang Quan Zheng Tai Zi No. JT-0027(1)	Industrial	2,140.13
Zao Fang Quan Zheng Tai Zi No. JT-0027(2)	Industrial	7,767.74
Zao Fang Quan Zheng Tai Zi No. JT-0027(3)	Industrial	2,918.40
Zao Fang Quan Zheng Tai Zi No. JT-0027(4)	Industrial	1,857.46
Zao Fang Quan Zheng Tai Zi No. JT-0027(5)	Industrial	1,668.88
	Total:	20,036

SECTION II: CORPORATE BACKGROUND

4. Pursuant to the Joint Venture Contract (the “Contract”) entered into between 山東王晁煤電集團有限公司 (“Party A”), 上聯水泥集團有限公司 (Shanghai Allied Cement Holdings Limited) (“Party B”) and 聯合國國際工業(上海)有限公司 (“Party C”) dated 19 November 2003, the three parties agreed to establish a joint venture company. The salient conditions stipulated in the Contract are summarised as follows:

(i)	Name of joint venture company	:	山東聯合王晁水泥有限公司 (Shandong Allied Wangchao Cement Limited)
(ii)	Registered capital	:	US\$4,600,000
(iii)	Scope of operation	:	Production and sale of cement and clinker products
(iv)	Capital interest/contribution	:	Party A : US\$460,000 (10%) Party B : US\$460,000 (10%) Party C : US\$3,680,000 (80%)
(v)	Profit/loss sharing	:	As per the parties’ equity interests in the JV Company
(vi)	Period of operation	:	50 years from the date of issuance of the business licence

5. Pursuant to the Business Licence No. 370400400000717 dated 23 May 2008, Shandong Allied Wangchao Cement Limited was permitted to operate with a registered capital of US\$9,200,000 with a business period from 29 December 2003 to 28 December 2053. The scope of business is in the manufacture and sales of cement, clinker and cement products.

SECTION III: STATUS OF THE PROPERTY

6. Pursuant to the Certificate for Commencing Construction No. 2009015 dated 23 September 2009, construction works of the 4.5MW waste heat power station with a total gross floor area of 1,500 sq.m. has been permitted.
7. Pursuant to the Certificate for Commencing Construction No. 2009038 dated 30 December 2009, construction works of the cement grinding station with a total gross floor area of 4,000 sq.m. has been permitted.
8. Pursuant to two Certificates for Construction Engineering Planning — Nos. 2011005 and 2011006 both issued by 棗莊市台兒莊區住房和城鄉建設局 (Zaozhuang City Taierzhuang District Housing and Urban Planning Bureau) and dated 18 April 2011, approval has been granted to develop the 4.5MW waste heat power station and cement grinding station with a total gross floor area of 7,301.21 sq.m.
9. In the course of our valuation, we have not taken into account the portions of the 4.5 MW waste heat power station and the cement grinding station due to no building ownership certificates have been obtained as at the date of valuation.

SECTION IV: OTHERS

10. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The title to the property possessed by Shandong Allied Wangchao Cement Limited is legally valid and free from encumbrances; and
 - (ii) The land use rights of the property are freely transferable by way of transfer, mortgage or letting for its residual term of the land use rights.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in
				existing state as at 31 October 2011
				RMB
2.	Units 2002 and 2004 Residential Block of Everbright Convention and Exhibition Centre, 86 Caobao Road, Xuhui District, Shanghai, the PRC	<p>Everbright Convention and Exhibition Centre is a 30-storey comprehensive development including hotels and commercial/residential composite buildings.</p> <p>The property comprises two apartment units in the residential block of the development, having a total gross floor area of approximately 225.78 sq.m., completed in about 2000.</p> <p>The land use rights of the property have been granted for a term of 40 years from 10 January 2002 to 3 September 2042 for comprehensive use.</p>	The property is currently owner-occupied.	<p>4,400,000</p> <p>(49.98% interest attributable to the Group: 2,199,120)</p>

Notes:

SECTION I: TITLE DOCUMENT

1. Pursuant to 2 Certificates for Real Estate Ownership issued by 上海市房屋土地管理局 (Shanghai Housing and Land Administration Bureau), the titles of the property with a total gross floor area of 225.78 sq.m. are vested in 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.), a 49.98% interest owned by the Company, for a common term of 40 years from 10 January 2002 to 3 September 2042 for comprehensive use. The details are listed as follows:

No.	Unit	Certificate for Real Estate Ownership No.	Issuance Date	Gross Floor Area (sq.m.)
1.	2002	Hu Fang Di Shi Zi (2002) No. 000674	22 January 2002	133.91
2.	2004	Hu Fang Di Shi Zi (2002) No. 000675	22 January 2002	91.87
Total:				225.78

SECTION II: OTHERS

2. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- The title to the property possessed by Shanghai Allied Cement Co., Ltd. is legally valid and free from encumbrances; and
 - The land use rights of the property are freely transferable by way of transfer, mortgage or letting.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 October 2011 RMB
3.	Unit 1603 of Jin Xuan Buildings, No. 3, Lane 228, East Nandan Road, Xuhui District, Shanghai, the PRC	<p>Jin Xuan Buildings is a comprehensive development including 4 blocks of 20 to 28-storey commercial/residential composite buildings.</p> <p>The property comprises a residential unit within the development having a gross floor area of approximately 110.17 sq.m. on the 16th floor of a 20-storey residential building completed in about 1997.</p> <p>The land use rights of the property have been granted for a term of 50 years from 31 December 1993 to 30 December 2043 for comprehensive use.</p>	The property is currently owner-occupied.	<p>2,370,000</p> <p>(49.98% interest attributable to the Group: 1,184,526)</p>

Notes:

SECTION I: TITLE DOCUMENT

1. Pursuant to the Certificate for Real Estate Ownership — Hu Fang Di Xu Zi (2001) No. 052027 issued by 上海房屋土地资源管理局 (Shanghai Housing and Land Resources Administration Bureau) on 17 July 2001, the title of the property with a gross floor area of 110.17 sq.m. is vested in 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.), a 49.98% interest owned by the Company, for a term of 50 years from 31 December 1993 to 30 December 2043 for comprehensive use.

SECTION II: OTHERS

2. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The title to the property possessed by Shanghai Allied Cement Co., Ltd. is legally valid and free from encumbrances; and
 - (ii) The land use rights of the property are freely transferable by way of transfer, mortgage or letting.

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 31 October 2011</u> RMB
4.	Units 201 and 202, Jin Cheng Lu Yuan No. 69, Lane 398, Shenbei Road, Minhang District, Shanghai, the PRC	<p>Jin Cheng Lu Yuan is a low-rise residential development located near the junction of Xihuan Road with Shenbei Road of Minhang District.</p> <p>The property comprises two residential units within the development having a total gross floor area of approximately 274.57 sq.m.</p> <p>The land use rights of the property have been granted for a term up to 30 December 2043 for residential use.</p>	The property is currently owner-occupied.	<p>3,600,000</p> <p>(49.98% interest attributable to the Group: 1,799,280)</p>

Notes:

SECTION I: TITLE DOCUMENT

1. Pursuant to 2 Certificates for Building Ownership issued by 上海閔行區房地產管理局 (Shanghai Minhang District Housing and Land Administration Bureau), the titles of the property with a total gross floor area of 274.57 sq.m. are vested in 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.), a 49.98% interest owned by the Company, for a common term of 50 years from 31 December 1993 to 30 December 2043. The details are listed as follows:

<u>No.</u>	<u>Unit</u>	<u>Certificate for Building Ownership No.</u>	<u>Issuance Date</u>	<u>Gross Floor Area (sq.m)</u>
1.	201	Hu Fang Min Zi No. Shen 02760	11 March 1995	137.14
2.	202	Hu Fang Min Zi No. Shen 02761	11 March 1995	137.43
Total:				274.57

SECTION II: OTHERS

2. We have been provided with a legal opinion on the titles to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The title to the property possessed by Shanghai Allied Cement Co., Ltd. is legally valid and free from encumbrances; and
 - (ii) The land use rights of the property are freely transferable by way of transfer, mortgage or letting.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 October 2011 RMB
5.	Room 102, Building 27, 張江集電港二期 (西塊) (Zhangjiang Semiconductor Industry Park Phase II (West Site)), No. 1388 Zhangdong Road, Pudong New District, Shanghai, the PRC	張江集電港二期(西塊) (Zhangjiang Semiconductor Industry Park Phase II (West Site)) (the "Development") comprises a comprehensive industrial development with a site area of approximately 116,330 sq.m. The property comprises an industrial unit of Building 27 of the Development with a gross floor area of approximately 857.60 sq.m.. The land use rights of the Development have been granted for a term from 31 May 2011 to 24 May 2049 for industrial use.	The property is currently owner-occupied.	20,800,000 (49.98% interest attributable to the Group: 10,395,840)

Notes:

SECTION I: STATUS OF THE PROPERTY

1. Pursuant to the Certificate for Real Estate Ownership — Hu Fang Di Pu Zi (2011) No. 038270 issued by the Shanghai Housing Security & Administration Bureau and Shanghai Planning, Land & Resources Bureau, the title of the property with a gross floor area of 857.60 sq.m. is vested in 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.), a 49.98% interest owned by the Company, for a term from 31 May 2011 to 24 May 2049 for industrial use.

SECTION II: OTHERS

2. We have been provided with a legal opinion on the titles to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The title to the property possessed by Shanghai Allied Cement Co., Ltd. is legally valid and free from encumbrances; and
 - (ii) The land use rights of the property are freely transferable by way of transfer, mortgage or letting.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 October 2011 RMB
6.	Unit 20G, 協和公寓第一號樓 (Xiehe Mansion No. 1 Building), No. 13, Lane 814, North Zhongshan Road, Zhabei District, Shanghai, the PRC	<p>The building, known as 協和公寓第一號樓 (Xiehe Mansion No. 1 Building), is a 20-storey residential building completed in 2003.</p> <p>The property comprises a residential unit on the 20th floor of the building. The gross floor area of the property is approximately 77.20 sq.m..</p> <p>The land use rights of the property have been granted for a term of 70 years from 15 October 1997 to 14 October 2067 for residential use.</p>	The property is currently owner-occupied.	<p>1,300,000</p> <p>(49.98% interest attributable to the Group: 649,740)</p>

Notes:

SECTION I: TITLE DOCUMENTS

1. Pursuant to the Certificate for Real Estate Ownership - Hu Fang Di Zha Zi (2011) No. 004821, issued by the Shanghai Housing Security & Administration Bureau and Shanghai Planning, land & Resources Administration Bureau, the title of the property with a gross floor area of 77.20 sq.m. is vested in 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.), a 49.98% interest owned by the Company, for a term of 70 years from 15 October 1997 to 14 October 2067 for residential use.

SECTION II: OTHERS

2. We have been provided with a legal opinion on the titles to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The title of the property possessed by Shanghai Allied Cement Co., Ltd. is legally valid and free from encumbrances; and
 - (ii) The land use rights of the property are freely transferable by way of transfer, mortgage or letting.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 October 2011 RMB
7.	Unit 1501, Block 2, House No. 3 of Jin Quan Jia Yuan, Datun Road, Chaoyang District, Beijing, the PRC	<p>Jin Quan Jia Yuan (the "Development") is a comprehensive residential/community service center development.</p> <p>The property comprises a residential unit within the Development having a gross floor area of approximately 148.03 sq.m. on the 15th floor of a 30-storey residential building completed in early 2009.</p> <p>The land use rights of the property have been granted for a term of 70 years from 9 March 2003 to 8 March 2073 for residential use.</p>	The property is currently owner-occupied.	<p>No Commercial Value</p> <p>(100% interest attributable to the Group: No Commercial Value)</p>

Notes:

SECTION I: TITLE DOCUMENT

1. Pursuant to a 北京市商品房預售合同 (Beijing City Commodity House Pre-sale Contract) No. Y639634 (the "Contract") dated 19 June 2008 entered into between 北京政泉置業有限公司 and 山東上聯水泥發展有限公司 (Shandong Shanghai Allied Cement Co., Ltd.), 北京政泉置業有限公司 agreed to transfer the title of the property (formerly known as 北京朝陽區大屯里政泉花園3號樓15層2單元1501) with a gross floor area of approximately 148.03 sq.m. to Shandong Shanghai Allied Cement Co., Ltd., a wholly owned subsidiary of the Company, for residential use.

SECTION II: OTHERS

2. We have been provided with a legal opinion on the titles to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The aforementioned pre-sale contract is legally valid;
 - (ii) The aforementioned property is free from encumbrances;
 - (iii) The obtainment procedures for the Certificate for Building Ownership by Shandong Shanghai Allied Cement Co., Ltd. will not encounter any legal obstacle; and
 - (iv) Upon completion of obtainment procedures, the land use rights of the property possessed by Shandong Shanghai Allied Cement Co., Ltd. will be freely transferable by way of transfer, mortgage or letting.
3. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the Date of Valuation would be RMB3,330,000 assuming all relevant title Certificates have been obtained by Shandong Shanghai Allied Cement Co., Ltd. and the land use rights of the property could be freely transferred.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 October 2011 RMB
8.	Unit 11A, 建愛大廈 (Jianai Building), No. 8, Changyang Road, Hongkou District, Shanghai, the PRC	建愛大廈 (Jianai Building) is a 26-storey composite building completed in 1996. The property comprises a unit on the 11th floor of the building. The gross floor area of the property is approximately 126.92 sq.m..	The property is currently owner-occupied.	No Commercial Value (49.98% interest attributable to the Group: No Commercial Value)

Notes:

SECTION I: TITLE DOCUMENT

1. According to the 【抵賬協議】 (off setting account balance agreement) entered into between 上海市建築構件製品公司 (Shanghai Building Components Products Co., Ltd.), 上海揚帆建築物資供應有限公司 (Shanghai Yangfan Building Materials Supplier Co., Ltd.) and 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.), dated 4 November 2003, the usage rights of the property were transferred to Shanghai Allied Cement Co., Ltd., a 49.98% interest owned by the Company, as a result of off setting the remaining balance between the three parties.
2. Pursuant to the Certificate for Real Estate Ownership — Hu Fang Di Hong Zi (2011) No. 012443 issued by Shanghai Housing Security & Administration Bureau and Shanghai Planning, Land & Resources Administration Bureau on 10 November 2011, the title of the property with a gross floor area of 126.92 sq.m. is vested in Shanghai Allied Cement Co., Ltd., for a term of 50 years from 3 January 1997 to 2 January 2047 for comprehensive use.

SECTION II: OTHERS

3. We have been provided with a legal opinion on the titles to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The aforementioned off setting account balance agreement is legally valid and binding on the signed parties; and
 - (ii) Shanghai Allied Cement Co., Ltd. is entitled to occupy and use the property and receive income generated by the property.
4. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the Date of Valuation would be RMB2,300,000 assuming the relevant Certificate of Real Estate Ownership was to be obtained by Shanghai Allied Cement Co., Ltd. and the land use rights of the property could be freely transferred.

VALUATION CERTIFICATE

Group II — Property interest held for sale by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 October 2011 RMB
9.	Unit 1403, 明都公寓 (Mingdu Apartment), No. 83, Anshun Road, Changning District, Shanghai, the PRC	明都公寓 (Mingdu Apartment) is a 18-storey residential/office building completed in 2000. The property comprises an office unit on the 14th floor of the building with a gross floor area approximately 146.48 sq.m.. The land use rights of the property is allocated with unspecified term for office use.	The property is currently owner-occupied.	No Commercial Value (49.98% interest attributable to the Group: No Commercial Value)

Notes:

SECTION I: TITLE DOCUMENT

1. Pursuant to the Certificate for Real Estate Ownership — Hu Fang Di Chang Zi (2011) No. 009503 on 31 August 2011 issued by Shanghai Housing Security & Administration Bureau and Shanghai Planning, Land & Resources Bureau, the title of the property with a gross floor area of 146.48 sq.m. is vested in 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.), a 49.98% interest owned by the Company.

SECTION II: OTHERS

2. We have been provided with a legal opinion on the titles to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The title of the property possessed by Shanghai Allied Cement Co., Ltd. is legally valid and free from encumbrances; and
 - (ii) Since the land use rights of the property have been obtained via allocation from the state, Shanghai Allied Cement Co., Ltd. is entitled to occupy and utilize the property under the law of the PRC, however the right to transfer, mortgage or lease the land use rights is restricted.
3. In the valuation of this property, we have attributed no commercial value to the property which is non-transferable as at the Date of Valuation. However, for reference purpose, we are of the opinion that the capital value of the property as at the Date of Valuation would be RMB2,420,000 assuming the land use rights of the property could be freely transferred.

VALUATION CERTIFICATE

Group III — Property interests leased by the Group in the PRC

No.	Property	Description and Occupancy	Capital Value in existing state as at 31 October 2011 RMB
10.	No. 19, Lane 2895, Longdong Main Road, Tang Village, Pudong New District, Shanghai, the PRC	The property comprises a villa with a gross floor area of approximately 250 sq.m. The property is currently occupied by the Group for storage use.	No Commercial Value

Notes:

1. According to the tenancy agreement dated 3 July 2010 entered into between 汪燕紅 (Wang Yanhong) (the “Landlord”) and 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.) (the “Tenant”), a 49.98% interest owned by the Company, the Landlord agreed to let the property to the Tenant for a term of two years from 15 July 2010 to 14 July 2012 at a monthly rental of RMB5,000 including of management fees.
2. We have been provided with a legal opinion on the titles to the property issued by the Group’s PRC legal adviser, which contains, *inter alia*, the following information:
 - (i) The Landlord has not yet obtained a Certificate of Real Estate Ownership. Upon completion of obtainment procedures, the tenancy will be legally valid and enforceable; and
 - (ii) The property is currently occupied for the storage of old office equipment, should the tenancy agreement be terminated, Shanghai Allied Cement Co., Ltd. can vacate the premises at any time without significant impact on its operations.

VALUATION CERTIFICATE

No.	Property	Description and Occupancy	Capital Value in existing state as at 31 October 2011 RMB
11.	A portion of an industrial complex located in Sunsuzhuang Village, Jiantouji Town, Taierzhuang District, Zaozhuang City, Shandong Province, the PRC	<p>The industrial complex located in Sunsuzhuang Village comprises an industrial development erected on a parcel of land with a site area of approximately 90,130 sq.m. completed in about 1999.</p> <p>The property comprises a portion of industrial complex with a site area of approximately 40,000 sq.m. and a 300,000 ton cement production line, mine, buildings and a set of 3 cement grinders erected thereon.</p> <p>The property is currently occupied by the Group for production use.</p>	No Commercial Value

Notes:

- According to the tenancy agreement dated 2 May 2001 entered into between 棗莊市台兒莊區水泥有限公司 (Zaozhuang City Taierzhuang District Cement Co., Ltd.) (the "Landlord") and 聯合國際工業(水泥)有限公司 ("AII-cement Limited"), a wholly owned subsidiary of the Company, the Landlord agreed to let the subject site and the 300,000 ton cement production line, mine and buildings erected thereon to AII-cement Limited for a term of 20 years from 26 May 2001 to 26 May 2021 at annual rentals of RMB4,000,000 (year 1), RMB4,500,000 (year 2), RMB5,000,000 (year 3), RMB5,500,000 (year 4) and RMB6,000,000 (year 5 and onwards).
- According to the 場地使用協議 (Site Usage Agreement) dated 31 May 2001 entered into between the Landlord and 山東上聯水泥發展有限公司 (Shandong Shanghai Allied Cement Co., Ltd.), a wholly owned subsidiary of the Company, the Landlord agreed to allow the usage of the adjoining land to the 300,000 ton cement production line, mine and buildings with a site area of 40,000 sq.m. as part of the aforementioned tenancy agreement.
- According to the tenancy agreement dated 17 February 2004 entered into between the Landlord and Shandong Shanghai Allied Cement Co., Ltd. (the "Tenant"), the Landlord agreed to let the set of 3 cement grinders and the related facilities in the eastern factory area of the property to the Tenant for a term from 1 March 2004 to 30 May 2021 at an annual rental of RMB800,000.
- We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which confirms that the aforementioned tenancy agreements and land usage agreement are legally valid and enforceable.

VALUATION CERTIFICATE

No.	Property	Description and Occupancy	Capital Value in existing state as at 31 October 2011 RMB
12.	Jianwei Office Buildings, No. 58 Yanhe Road North, Yuan Taierzhuang District, Zaozhuang City, Shandong Province, the PRC	The property comprises part office complex of Jianwei Office Buildings with a total gross floor area of approximately 1,400 sq.m.. The property is currently occupied by the Group for office use.	No Commercial Value

Notes:

1. According to the tenancy agreement dated 22 May 2002 entered into between 棗莊市台兒莊區建設局 (Zaozhuang City Taierzhuang District Construction Bureau) (the "Landlord") and 山東上聯水泥發展有限公司 (Shandong Shanghai Allied Cement Co., Ltd.) (the "Tenant"), a wholly owned subsidiary of the Company, the Landlord agreed to let the property to the Tenant for a term of 20 years from 1 June 2002 to 31 May 2022 at an annual rental of RMB33,000.
2. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which confirms that the tenancy agreement is legally valid and enforceable.

VALUATION CERTIFICATE

No.	Property	Description and Occupancy	Capital Value in existing state as at 31 October 2011 RMB
13.	A port located at Hanzhuang River, Dundong Village, Taierzhuang District, Zaozhuang City, Shandong Province, the PRC	The property comprises a port and ancillary loading structure with a site area of approximately 60.05 mu (40,033.33 sq.m.) and is currently occupied by the Group for loading/unloading purpose.	No Commercial Value

Notes:

- According to the tenancy agreement dated 9 December 2004 entered into between 棗莊市台兒莊區頓東村 (Zaozhuang City Taierzhuang District Dundong Village) (the "Landlord") and 山東聯合王晁水泥有限公司 (Shandong Allied Wangchao Cement Limited) (the "Tenant"), a wholly owned subsidiary of the Company, the Landlord agreed to let the property to the Tenant for a term of 10 years from 1 December 2004 to 1 December 2014 at an annual rental of RMB48,040 exclusive of compensation for replaced crops..
- Pursuant to the 河道提防工程佔用協議書 (Agreement for River Embankment Occupation and Construction) dated 28 November 2004 entered into between 水利部淮委南四湖韓莊運河水利管理局 (Shuili Buhuai Weinan Sihuhanzhuang Yunhe Shuili Guanliju) (the "Bureau") and Shandong Allied Wangchao Cement Limited, the port construction and occupation by Shandong Allied Wangchao Cement Limited have been approved by the Bureau at an annual fee of RMB60,000.
- We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which confirms that the aforementioned agreements are legally valid and enforceable.