

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 Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 29 February 2012 of the property interests of the Group.



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Licence No: C-030171

17 April 2012

The Board of Directors
China Zhongsheng Resources Holdings Limited

Dear Sirs,

In accordance with your instructions to value the properties in which China Zhongsheng Resources 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") and Australia, 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 29 February 2012 (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".

Due to the nature of the buildings and structures of Part A of property in Group I and the particular location in which it is situated, there are unlikely to be relevant market comparables sales readily available. The property interest has therefore been valued on the basis of its 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 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 cost of the property interest is subject to adequate potential profitability of the concerned business.

In valuing the property interest Part B of property no. 1 in Group I which is currently under construction as at the date of valuation, we have assumed that it will be developed and completed in accordance with the latest development proposal 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 remained of the cost and fees to be expended to complete the development.

We have attributed no commercial value to the property interests in Group II & 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 Collectively-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 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 advisers – Dacheng Law Offices, 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 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 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.

The site inspection was carried out during the period from 8 June 2011 to 1 September 2011 by Mr. Gilbert C.H. Chan.

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 Corporate Appraisal and Advisory Limited

Gilbert C.H. Chan

MRICS MHKIS RPS(GP)

Director

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 20 years' experience in the valuation of properties in Hong Kong and 19 years of property valuation experience in the PRC as well as relevant experience in the Asia-Pacific region and Australia.

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 29 February 2012 RMB
1. 4 parcels of land, various buildings and structures located at Qinjiashuang Village (秦家莊村) Yangzhuang Town Yishui County Linyi City Shandong Province the PRC	90,300,000
Sub-total:	90,300,000

Group II – Property interests rented and occupied by the Group in the PRC

No. Property	Capital value in existing state as at 29 February 2012 RMB
2. A parcel of land located at Gongdanshan Village (汞丹山村) Yishui County Linyi City Shandong Province the PRC	No commercial value
3. A parcel of land located at Gaojialouzi Village (高家樓子村) Yishui County Linyi City Shandong Province the PRC	No commercial value

No. Property	Capital value in existing state as at 29 February 2012 RMB
4. 6 parcels of land located at Qinjiazhuang Village (秦家莊村) Yishui County Linyi City Shandong Province the PRC	No commercial value
5. 2 parcels of land located at Shuiniu Village (水牛村) Yishui County Linyi City Shandong Province the PRC	No commercial value
Sub-total:	<u>Nil</u>

Group III – Property interest rented and occupied by the Group in Australia

No. Property	Capital value in existing state as at 29 February 2012 RMB
6. Level 1 GDA Corporate 681 Murray Street West Perth Australia	No commercial value
Sub-total:	<u>Nil</u>
Grand total:	<u><u>90,300,000</u></u>

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 29 February 2012 RMB
1.	4 parcels of land, various buildings and structures located at Qinjiazhuang Village (秦家莊村) Yangzhuang Town Yishui County Linyi City Shandong Province the PRC	<p>The property comprises 4 parcels of land with a total site area of approximately 28,426 sq.m. and 9 buildings, 2 processing facilities (known as nos. 2 and 3 Processing Facilities), 13 temporary buildings (one of which is known as no. 1 Processing Facility) and ancillary structures erected thereon which were completed in various stages between 2001 and 2011. ("Part A")</p> <p>The buildings mainly include office buildings, dormitories, a canteen and ancillary buildings. The buildings have a total gross floor area of approximately 3,176.28 sq.m.</p> <p>The nos. 2 and 3 Processing Facilities have a gross floor area of approximately 3,000 sq.m. and 44,000 sq.m. respectively.</p> <p>The 13 temporary buildings have a total gross floor area of approximately 2,604 sq.m.</p> <p>The structures mainly include roads, pipes, green area and gates.</p> <p>The property also comprise structures of processing facilities works which was being constructed on the parcels of land of the property as at the date of valuation (the "CIP"). ("Part B")</p> <p>As advised, the CIP is scheduled to be completed by the end of 2012. The total construction cost is estimated to be approximately RMB8,000,000 (excluding machinery and equipment costs), of which about RMB6,505,000 has been incurred as at the date of valuation.</p> <p>The land use rights of the property have been leased of a collectively-owned land for a term expiring on 29 December 2036 for industrial use.</p>	The property is currently occupied by the Group for mining processing, office and staff quarters purposes.	90,300,000 100% interest attributable to the Group: RMB90,300,000

Notes:

1. Pursuant to 4 Collectively-owned Construction Land Use Rights Circulation Contracts (集體建設用地使用權流轉合同) – Yangzhuang LZ-2006-1, Yangzhuang LZ-2006-2, Yangzhuang LZ-2006-3, LZ-2006-4, all dated 29 November 2006, the total land area of approximately 28,426 sq.m. were leased from Yishui County Yangzhuang Town Qinjiazhuang Villagers Committee (沂水縣楊莊鎮秦家莊村民委員會) to Shandong Ishine Mining Industry Co. Ltd. (“Shandong Ishine”) (山東興盛礦業有限責任公司), an indirect wholly-owned subsidiary of the Company (formerly known as Shandong Ishine Mining Industry Group Ltd. (山東興盛礦業集團有限公司)), for a term of 30 years commencing from 29 December 2006 and expiration on 19 December 2036 at total rental of RMB42,639 per annum for industrial use.
2. Pursuant to 4 Collectively-owned Land Use Rights Certificates – Yi Ji Yong (2008) Di Nos. 010, 011, 012 and 013 all dated 4 August 2008 issued by Yishui County Land Resources Bureau, the land use rights of the property were leased from Collective Villagers of Yangzhuang Town Qinjiazhuang (楊莊鎮秦家莊村農民集體) to Shandong Ishine (formerly known as Shandong Ishine Mining Industry Corporation (山東興盛礦業股份有限公司)), a wholly-owned subsidiary of the Company, for a term expiring on 29 December 2036 for industrial use.
3. Pursuant to 2 Building Ownership Certificates – Fang Quan Zheng Yi Zi Di No. 2008-07004 and 298710045, 9 buildings with a total gross floor area of approximately 3,176.28 sq.m. are held by Shandong Ishine.
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:
 - a. According to Linyi City Management Rules on Circulation of Collectively-owned Construction Land Use Rights 《臨沂市集體建設用地使用權流轉管理暫行辦法》 Lin Zheng Fa No. (2005) 44(臨政發(2005)44號), Shandong Ishine has obtained Collectively-owned Land Use Rights Certificates legally and valid and has right to use, transfer, lease, mortgage or otherwise dispose of the property in accordance with the relevant laws;
 - b. According to the abovementioned Land rules, it is not a pre-requisite requirement for the nature of the land use rights to be changed from Collectively-owned to State-owned for Shandong Ishine to transfer, lease, capital contribution of land, co-operating/construction or mortgage. Shandong Ishine can further circulate the land (including transfer or mortgage etc.), without the pre-requisite requirement to change the nature of land use rights from Collectively-owned to State-owned in advance and it applies to the buildings as well;
 - c. For the no. 1 Processing Facility, it is a temporary building on a parcel of land under Yi Ji Yong (2008) Di No. 010, mainly used for storage of spare parts and steel/carbon as a non production facility. Shandong Ishine has applied for the Temporary Construction Works Planning Permit for the no. 1 Processing Facility together with the remaining 12 temporary buildings from Yishui County Bureau of Housing and Urban Rural Construction (沂水縣住房和城鄉建設局);
 - d. In accordance to Linyishi City Planning Regulation of Urban and Rural (臨沂市城鄉規劃管理辦法), the confirmation letter from Yishui County Bureau of Housing and Urban Rural Construction, Shandong Ishine can occupy and use the temporary buildings but exclude of sales, exchange, lease, transfer, donate or change the use of unauthorized nature;
 - e. As confirmed by Shandong Ishine and properly reviewed by the legal advisers, the legal advisers have not discovered any notice or order which may affect the Collectively-owned Land Use Rights or Building Ownership Rights of the property;
 - f. As confirmed by Yishui County Bureau of Housing and Urban Rural Construction, the no. 1 Processing Facility is categorized as temporary buildings and not required to obtain Building Ownership Certificates;
 - g. As confirmed by Yishui County Office of Real Estate Management (沂水縣房地產管理辦公室), the Processing Facilities of nos. 2 and 3 are categorized as simple shelter structures and not required to obtain Building Ownership Certificates; and
 - h. The property is not subject to mortgage, sequestration and any other encumbrances as at the date of valuation.

5. *The property contributes a significant portion of revenue to the Group, we are of the view that the property is the material property held by the Group:*

Details of the material property

- (a) *General description of location of the property* : *Qinjiazhuang Village is located at Yangzhuang Town, 50 km from the northern Yishui County near Linyi City and Weifang City. It is abutted to the Qingnan Highway which connected Jinan City and Qingdao City.*
- (b) *Details of encumbrances, liens, pledges, mortgages against the property* : *Nil*
- (c) *Environmental Issue* : *There is no environmental issue, such as breach of environmental regulations for the use of the property as at the latest practicable.*
- (d) *Details of investigations, notices, pending litigation, breaches of law or title defects* : *Nil*
- (e) *Future plans for construction, renovation, improvement or development of the property* : *As advised by the Company, there is no present intention to significantly further develop the CIP in the next 12 months from the date of this document.*

VALUATION CERTIFICATE

Group II – 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 29 February 2012 RMB
2.	A parcel of land located at Gongdanshan Village (汞丹山村) Yangzhuang Town Yishui County Linyi City Shandong Province the PRC	<p>The property comprises a parcel of land with a site area of approximately 3 Mu (2,000 sq.m.), which is a mine site.</p> <p>Pursuant to a Land Use Framework Agreement (土地使用框架協議) and Collectively-owned Land Lease Agreement (集體土地租賃協議) made between Shandong Ishine Mining Industry Co. Ltd. (“Shandong Ishine”) (山東興盛礦業有限責任公司), an indirect wholly-owned subsidiary of the Company, as Lessee and Yishui County Yangzhuang Town Gongdanshan Villagers Committee (沂水縣楊莊鎮汞丹山村民委員會) as Lessor, an Independent Third Party, the property is leased by the Group for a term of 2 years commencing from 31 August 2011 and expiring on 30 August 2013 at a rental of RMB15,000 per annum, at the end of the lease, the parties, through negotiation, can enter into a supplementary agreement to extend the lease.</p>	The property is currently occupied by the Group for mining excavation purpose.	No commercial value

Notes:

1. Pursuant to the Approval Regarding the Short-term Land Use Rights of Shandong Ishine at Yangzhuang Iron Mine (關於同意山東興盛礦業有限責任公司楊莊鐵礦臨時用地的批復) – Yi Guo Tu Zi Lin (沂國土資臨) (2011) No. 60 dated 31 August 2011, the land use rights of temporary construction was granted to Shandong Ishine for a term of 2 years for mining excavation use.
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:
 - a. The villagers' committee is the legal owner of the property, and has right to lease out the property;
 - b. The Land Use Framework Agreement and Collectively-owned Land Lease Agreement (“the Agreements”) are valid, legally binding and enforceable;
 - c. The Agreements have not been registered with relevant authority, however, PRC Laws do not require the Agreements to be registered. For the avoidance of doubt, Shandong Ishine filed a record with Yishui County Land Resources Bureau; and
 - d. The Agreements have obtained the consent of more than 2/3 of villagers' representatives which is legal and valid in accordance with the Land Management Law.

3. *Major operation of the Group is carried out in the property, we are of the view that the property is the material property held by the Group:*

Details of the material property

- (a) *General description of location of the property* : *Gongdanshan Village is located at Yangzhuang Town, 50 km from the northern Yishui County and the neighbouring cities are Linyi City and Weifang City. It is opposite to Qinjiazhuang Village and near the Gongdan Mountain.*
- (b) *Details of encumbrances, liens, pledges, mortgages against the property* : *Nil*
- (c) *Environmental Issue* : *There is no environmental issue, such as breach of environmental regulations for the use of the property as at the latest practicable.*
- (d) *Details of investigations, notices, pending litigation, breaches of law or title defects* : *Nil*
- (e) *Future plans for construction, renovation, improvement or development of the property* : *As advised by the Company, there is no plan for new major development in the next 12 months from the date of this document.*

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2012 RMB
3.	A parcel of land located at Gaojialouzi Village (高家樓子村) Yangzhuang Town Yishui County Linyi City Shandong Province the PRC	The property comprises a parcel of land with a site area of approximately 4 Mu (2,666.7 sq.m.), which is a mine site. Pursuant to a Land Use Framework Agreement (土地使用框架協議) and Collectively-owned Land Lease Agreement (集體土地租賃協議) made between Shandong Ishine Mining Industry Co., Ltd. ("Shandong Ishine") (山東興盛礦業有限責任公司), an indirect wholly-owned subsidiary of the Company, as Lessee and Yishui County Gaojialouzi Villagers Committee (沂水縣高家樓子村村民委員會) as Lessor, an Independent Third Party, the property is leased by the Group for a term of 2 years commencing from 31 August 2011 and expiring on 30 August 2013 at a rental of RMB20,000 per annum, at the end of the lease, the parties, through negotiation, can enter into a supplementary agreement to extend the lease.	The property is currently occupied by the Group for mining excavation purpose.	No commercial value

Notes:

1. Pursuant to the Approval Regarding the Short-term Land Use Rights of Shandong Ishine at Yangzhuang Iron Mine (關於同意山東興盛礦業有限責任公司楊莊鐵礦臨時用地的批復) – Yi Guo Tu Zi Lin (沂國土資臨) (2011) No. 60 dated 31 August 2011, the land use rights of temporary construction was granted to Shandong Ishine for a term of 2 years for mining excavation use.
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:
 - a. The villagers' committee is the legal owner of the property, and has right to lease out the property;
 - b. The Land Use Framework Agreement and Collectively-owned Land Lease Agreement ("the Agreements") are valid, legally binding and enforceable;
 - c. The Agreements have not been registered with relevant authority, however, PRC Laws do not require the Agreements to be registered. For the avoidance of doubt, Shandong Ishine filed a record with Yishui County Land Resources Bureau; and
 - d. The Agreements have obtained the consent of more than 2/3 of villagers' representatives which is legal and valid in accordance with the Land Management Law.

3. *Major operation of the Group is carried out in the property, we are of the view that the property is the material property held by the Group:*

Details of the material property

- (a) *General description of location of the property* : *Gaojialouzi Village is located at Yangzhuang Town, 50 km from the northern Yishui County and the neighbouring cities are Linyi City and Weifang City. It is abutted to the Qingnan Highway which connected Jinan City and Qingdao City and at north-east side of Gongdanshan Village.*
- (b) *Details of encumbrances, liens, pledges, mortgages against the property* : *Nil*
- (c) *Environmental Issue* : *There is no environmental issue, such as breach of environmental regulations for the use of the property as at the latest practicable.*
- (d) *Details of investigations, notices, pending litigation, breaches of law or title defects* : *Nil*
- (e) *Future plans for construction, renovation, improvement or development of the property* : *As advised by the Company, there is no plan for new major development in the next 12 months from the date of this document.*

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2012 RMB
4.	6 parcels of land located at Qinjiazhuang Village (秦家莊村) Yangzhuang Town Yishui County Linyi City Shandong Province the PRC	<p>The property comprises 6 parcels of land with a total site area of approximately 460.4 Mu (306,934.8 sq.m.), which is a mine site.</p> <p>Pursuant to a Land Use Framework Agreement (土地使用框架協議) and Collectively-owned Land Lease Agreement (集體土地租賃協議) made between Shandong Ishine Mining Industry Co. Ltd. (“Shandong Ishine”) (山東興盛礦業有限責任公司), an indirect wholly-owned subsidiary of the Company, as Lessee and Yishui County Yangzhuang Town Qinjiazhuang Villagers Committee (沂水縣楊莊鎮秦家莊村民委員會) as Lessor, an Independent Third Party, the property is leased by the Group for a term of 2 years commencing from 31 August 2011 and expiring on 30 August 2013 at a total rental of RMB2,300,200 per annum, at the end of the lease, the parties, through negotiation, can enter into a supplementary agreement to extend the lease.</p>	The property is currently occupied by the Group for mining excavation and tailings storage purposes.	No commercial value

Notes:

1. Pursuant to the Approval Regarding the Short-term Land Use Rights of Shandong Ishine at Yangzhuang Iron Mine (關於同意山東興盛礦業有限責任公司楊莊鐵礦臨時用地的批復) – Yi Guo Tu Zi Lin (沂國土資臨) (2011) No. 60 dated 31 August 2011, the land use rights of temporary construction was granted to Shandong Ishine for a term of 2 years for mining excavation and tailings storage uses.
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:
 - a. The villagers’ committee is the legal owner of the property, and has right to lease out the property;
 - b. The Land Use Framework Agreement and Collectively-owned Land Lease Agreement (“the Agreements”) are valid, legally binding and enforceable;
 - c. The Agreements have not been registered with relevant authority, however, PRC Laws do not require the Agreements to be registered. For the avoidance of doubt, Shandong Ishine filed a record with Yishui County Land Resources Bureau; and
 - d. The Agreements have obtained the consent of more than 2/3 of villagers’ representatives which is legal and valid in accordance with the Land Management Law.

3. *Major operation of the Group is carried out in the property, we are of the view that the property is the material property held by the Group:*

Details of the material property

- (a) *General description of location of the property* : *Qinjiashuang Village is located at Yangzhuang Town, 50 km from the northern Yishui County and the neighbouring cities are Linyi City and Weifang City. It is abutted to the Qingnan Highway which connected Jinan City and Qingdao City.*
- (b) *Details of encumbrances, liens, pledges, mortgages against the property* : *Nil*
- (c) *Environmental Issue* : *There is no environmental issue, such as breach of environmental regulations for the use of the property as at the latest practicable.*
- (d) *Details of investigations, notices, pending litigation, breaches of law or title defects* : *Nil*
- (e) *Future plans for construction, renovation, improvement or development of the property* : *As advised by the Company, there is no plan for new major development in the next 12 months from the date of this document.*

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2012 RMB
5.	2 parcels of land located at Shuiniu Village (水牛村) Yangzhuang Town Yishui County Linyi City Shandong Province the PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 129.7 Mu (86,467.1 sq.m.), which is a mine site.</p> <p>Pursuant to a Land Use Framework Agreement (土地使用框架協議) and Collectively-owned Land Lease Agreement (集體土地租賃協議) made between Shandong Ishine Mining Industry Co. Ltd. ("Shandong Ishine") (山東興盛礦業有限責任公司), an indirect wholly-owned subsidiary of the Company, as Lessee and Yishui County Yangzhuang Town Shuiniu Villagers Committee (沂水縣楊莊鎮水牛村民委員會) as Lessor, an Independent Third Party, the property is leased by the Group for a term of 2 years commencing from 31 August 2011 and expiring on 30 August 2013 at a total rental of RMB648,500 per annum at the end of the lease, the parties, through negotiation, can enter into a supplementary agreement to extend the lease.</p>	The property is currently occupied by the Group for mining excavation and tailings storage purposes.	No commercial value

Notes:

1. Pursuant to the Approval Regarding the Short-term Land Use Rights of Shandong Ishine at Yangzhuang Iron Mine (關於同意山東興盛礦業有限責任公司楊莊鐵礦臨時用地的批復) – Yi Guo Tu Zi Lin (沂國土資臨) (2011) No. 60 dated 31 August 2011, the land use rights of temporary construction was granted to Shandong Ishine for a term of 2 years for mining excavation and tailings storage uses.
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:
 - a. The villagers' committee is the legal owner of the property, and has right to lease out the property;
 - b. The Land Use Framework Agreement and Collectively-owned Land Lease Agreement ("the Agreements") are valid, legally binding and enforceable;
 - c. The Agreements have not been registered with relevant authority, however, PRC Laws do not require the Agreements to be registered. For the avoidance of doubt, Shandong Ishine filed a record with Yishui County Land Resources Bureau; and
 - d. The Agreements have obtained the consent of more than 2/3 of villagers' representatives which is legal and valid in accordance with the Land Management Law.

3. *Major operation of the Group is carried out in the property, we are of the view that the property is the material property held by the Group:*

Details of the material property

- (a) *General description of location of the property* : *Shuiniu Village is located at Yangzhuang Town, 50 km from the northern Yishui County and the neighbouring cities are Linyi City and Weifang City. It is next to Qinjiazhuang Village and Shaoqinjiazhuang Village.*
- (b) *Details of encumbrances, liens, pledges, mortgages against the property* : *Nil*
- (c) *Environmental Issue* : *There is no environmental issue, such as breach of environmental regulations for the use of the property as at the latest practicable.*
- (d) *Details of investigations, notices, pending litigation, breaches of law or title defects* : *Nil*
- (e) *Future plans for construction, renovation, improvement or development of the property* : *As advised by the Company, there is no plan for new major development in the next 12 months from the date of this document.*

VALUATION CERTIFICATE

Group III – Property interests rented and occupied by the Group in Australia

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 29 February 2012 RMB
6.	Levels 1 and 2 GDA Corporate 1187 Hay Street West Perth Australia	<p>The property comprises whole floor on Levels 1 and 2 with 5 parking bays of a 3-storey commercial building completed in 2000s.</p> <p>The property has a gross floor area of approximately 301 sq.m.</p> <p>Pursuant to a Tenancy Agreement and Car Parking Licence Agreement both dated 25 October 2011 made between Ishine International Resources Limited, an indirect wholly-owned subsidiary of the Company, as Lessee and Dartford Holdings Pty Ltd. as Lessor, an Independent Third Party, the property is leased by the Group for a term of 3 years commencing from 1 October 2011 and expiring on 30 September 2014 at a rental of AUD94,815 per annum with an option to renew 2 years exclusive of other outgoing expenses.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Note:

1. *The registered owner of the property is Dartford Holdings Pty Ltd.*
2. *We have been provided with a legal opinion regarding the property interest by the Company's Australia legal advisers, which contains, inter alia, the following:*
 - a. *The Company has entered into a lease agreement dated 25 October 2011 for the property of its principal place of business in West Perth;*
 - b. *The Company has also entered into a car parking licence agreement with Dartford Holdings Pty Ltd, an Independent Third Party, dated 25 October 2011 which allows the Company the use of 5 parking bays for as long as the Company leases the property; and*
 - c. *The tenancy agreement and licence agreement have been duly executed, and to the best of our knowledge constitute valid and binding agreements.*