

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this Prospectus received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 30 April 2012 of the property interests held by the Group.



Asset Appraisal Limited
中誠達資產評值顧問有限公司

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1 June 2012

The Board of Directors
Dongwu Cement International Limited

Dear Sirs,

Re: Valuation of property interests situated in the People's Republic of China

In accordance with the instructions from **Dongwu Cement International Limited** (referred to as the "Company") to value the property interests (referred to as the "properties") held by the Company or its subsidiaries (the Company and its subsidiaries are altogether referred to as the "Group") situated in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections of the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at **30 April 2012** (the "date of valuation").

BASIS OF VALUATION

Our valuation of the properties 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".

VALUATION METHODOLOGY

Due to the nature of the buildings and structures erected thereon, the property numbered 1 have been valued on the basis of depreciated replacement cost (DRC). The assessment of the DRC requires an estimate of the market value of the land in existing use and an estimate of the new replacement (reproduction) cost of the buildings and structures and other site works as at the date of valuation, from which deductions are then made to allow for age, condition, functional obsolescence, etc.. In valuing the market value of the land portions of the properties, the comparison method has been adopted.

We have ascribed no commercial value to the property rented by the Group under short term lease due to the non-assignable nature of the leasehold interest or the lack of substantial profit rent.

ASSUMPTIONS

Save for the property rented by the Group, our valuation has been made on the assumption that owners sell the properties on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the properties.

For those properties held by the owners by means of long term Land Use Rights granted by the Government, we have assumed that the owner has free and uninterrupted rights to use the properties for the whole of the unexpired term of the respective land use rights. We have also assumed that they can be freely transferred on the market free from any land premium or expenses of substantial amount payable to the Government.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

TITLESHP

We have been provided with copies of legal documents regarding the properties. However, we have not verified ownership of the properties and the existence of any encumbrances that would affect ownership of them.

We have also relied upon the legal opinion provided by our PRC Legal Advisors, namely Deheng Law Firm, to the Company on the relevant laws and regulations in the PRC, on the nature of land use rights or leasehold interests in the properties.

LIMITING CONDITIONS

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

We have relied to a very considerable extent on the information given by the Company 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 not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

We have carried out inspections of the properties. However, no structural survey has been made. In the course of our inspection, we did not note any serious defects. We are unable to report whether the buildings and structures of the properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services of the buildings and structures of the properties.

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

In valuing the properties, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

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

Our summary of valuation and valuation certificate are attached herewith.

Yours faithfully,
for and on behalf of

Asset Appraisal Limited

Tse Wai Leung
MFin BSc MRICS MHKIS RPS(GP)
Director

Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

SUMMARY OF VALUATION

Property	Market value in existing state as at 30 April 2012 <i>RMB</i>	Interest attributable to the Group as at 30 April 2012 <i>%</i>	Value of property interest attributable to the Group as at 30 April 2012 <i>RMB</i>
Group I – Property interests held and occupied by the Group			
1. Land, various buildings and structures located in southeastern side of Dong Da Qiao, Lili Town, Wujiang City, Jiangsu Province, the PRC.	136,500,000	100%	136,500,000
Sub-total:	<u>136,500,000</u>		<u>136,500,000</u>
Group II – Property rented by the Group			
2. Unit 2801, No. 319 Xianxia Road, Changning District, Shanghai City, the PRC.	No commercial value	–	No commercial value
Grand-total:	<u>136,500,000</u>		<u>136,500,000</u>

VALUATION CERTIFICATE

Group I – Property interests held and occupied by the Group

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2012 RMB
1. Land, various buildings and structures located in southeastern side of Dong Da Qiao, Lili Town, Wujiang City, Jiangsu Province, the PRC. (中國江蘇省吳江市黎里鎮東大橋南東側之土地、建築物及構築物)	The property comprises three parcels of industrial land with a total area of approximately 181,945.4 square metres abutting onto the Taipu River (太浦河). Currently, there are a total of 45 blocks of single to 4-storey buildings and ancillary structures are erected on the land. Those buildings and structures include dormitory, office buildings, warehouses, workshop, ancillary rooms, boiler room, canteen, chemical treatment plant, communication room, delivery room, distribution room, transformer room, generator room, guard room, laboratory, measuring room, pump room, shed and treatment room. Wharf and mooring facilities are for raw material and product transport are erected along the riverside of the property. The total gross floor area of the aforesaid buildings is approximately 32,667.42 square metres. The above buildings and ancillary structures were completed in between 2004 and 2011. The land use rights of a portion of the subject land with an area of 118,183.7 square metres have been granted for a term expiring on 30 November 2054 and 19 May 2059 for industrial use. The land use rights of another portion of the subject land with an area 19,387.7 square metres have been granted for a term of 50 years commencing on 1 December 2011 for industrial use.	The property is currently occupied by the Group for cement manufacturing purposes.	136,500,000 (100% interest attributable to the Group: 136,500,000)

Notes:

- As revealed from a State-owned Land Use Rights Contract dated 1 December 2004, the land use rights in a portion of the subject land with an area of 107,553.6 square metres were granted by the Wujiang Municipal Bureau of Land and Resources of Wujiang (吳江市國土資源局) to Suzhou Dongwu Cement Co., Ltd. (蘇州東吳水泥有限公司), an indirect wholly-owned subsidiary of the Company, for a land use right term of 50 years for industrial use. As confirmed by the Company, the land premium for the land grant has been settled in full by Suzhou Dongwu Cement Co., Ltd..
- Subsequently, a State-owned Land Use Rights Certificate (Ref: Wu Guo Yong (2004) Di No. 1004225 (吳國用(2004)第1004225號)) in relation to the aforesaid land portion with an area of 107,553.6 square metres was issued in the name of Suzhou Dongwu Cement Co., Ltd. on 3 December 2004. As mentioned in the Land Use Right Certificate, the land use rights have been granted for a term expiring on 30 November 2054 for industrial use.

3. As revealed from another State-owned Land Use Rights Contract dated 8 May 2009, the land use rights in another portion of the subject land with an area of 10,630.1 square metres were granted by the Wujiang Municipal Bureau of Land and Resources to Suzhou Dongwu Cement Co., Ltd. for a land use right term of 50 years for industrial use. As confirmed by the Company, the land premium of RMB2,678,760 for the land grant has been settled in full by Suzhou Dongwu Cement Co., Ltd..
4. Subsequently, a State-owned Land Use Rights Certificate (Ref: Wu Guo Yong (2010) Di No. 1007033 (吳國用(2010)第1007033號)) in relation to the aforesaid land portion with an area of 10,630.1 square metres was issued in the name of Suzhou Dongwu Cement Co., Ltd. on 17 December 2010. As mentioned in the Land Use Right Certificate, the land use rights have been granted for a term expiring on 19 May 2059 for industrial use.
5. As revealed from another State-owned Land Use Rights Contract dated 1 December 2011, the land use rights in relation to another portion (known as Lot No. WJ-G-2011-251) of the subject land with an area of 19,387.7 square metres were granted by the Wujiang Municipal Bureau of Land and Resources to Suzhou Dongwu Cement Co., Ltd. for a land use right of 50 years commencing from the date of the Land Use Rights Contract for industrial (non-metal product processing) use. As confirmed by the Company, the land premium of RMB5,583,658 for the land grant has been settled in full by Suzhou Dongwu Cement Co., Ltd..
6. Subsequently, a State-owned Land Use Rights Certificate (Ref: Wu Guo Yong (2012) Di No. 1007376 (吳國用(2012)第1007376號)) in relation to the aforesaid land portion with an area of 19,387.7 square metres was issued in the name of Suzhou Dongwu Cement Co., Ltd. on 17 February 2012. As mentioned in the Land Use Right Certificate, the land use rights have been granted for a term expiring on 31 December 2061 for industrial use.
7. As revealed from a Taipu River Waterway Construction Works Occupation Agreement (太浦河河道工程佔用合同) dated 11 February 2004, Suzhou Dongwu Cement Co., Ltd. has been granted by the Wujiang City Taipu River Work Administration Office (吳江市太浦河工程管理所) the rights to occupy and carry out operations on a strip of river bank land abutting to the Taipu River (太浦河) with an area of 44,374 square metres and a coastal line of approximately 730 metres for an unspecified term. The current land use fee payable by Suzhou Dongwu Cement Co., Ltd. is RMB180,000.
8. A Construction Works Occupation Agreement (河道工程佔用證) (Ref: Wu Shui (2011) Zhan Zhi No. 056 (吳水2011佔字第056號)) in relation to the aforesaid river bank land parcel was issued in the name of Suzhou Dongwu Cement Co., Ltd. by the Wujiang City Water Work Bureau (吳江市水利局) on 28 October 2011. The permit is valid for a period commencing on 12 March 2011 and expiring on 28 October 2012. As confirmed by the Company, such permit shall be renewed upon expiry when Suzhou Dongwu Cement Co., Ltd. passes the corporate evaluation.
9. As revealed by the Planning Permit on Land for Construction Use (建設用地規劃許可證) (Ref: Wu Cheng Qui (2003)030693 (吳城規(2003)030693)) on 29 September 2003, the permitted town planning use of the subject land parcel is manufacturing.
10. As revealed by the Planning Permit on Construction Works (建設工程規劃許可證) (Ref: Wu Cheng Qui (2003)030404 (吳城規(2003)030404)) dated 29 September 2003, the construction works of property with planned gross floor area of 44,400 square metres are in compliance with the construction work requirements and have been approved.
11. As revealed by the Working Permit on Construction Works (建築工程施工許可證) (Ref: 320525200411020301) issued by the Wujiang Construction Bureau (吳江市建設局) on 2 November 2004, the construction of the subject buildings has been allowed.
12. A Building Ownership Certificate (Ref: Wu Fang Quan Zheng Li Li Zi Di No. 05003082 (吳房權證黎里字第05003082號)) was issued in the name of Suzhou Dongwu Cement Co., Ltd. by the Municipal Government of Wujiang City in connection with 35 subject buildings of the property with a total gross floor area of 22,509.60 square metres.
13. Another Building Ownership Certificate (Ref: Wu Fang Quan Zheng Fen Hu Zi Di No. 06011569 (吳房權證汾湖字第06011569號)) dated 29 November 2011 was issued by the Wujiang City Housing and Construction Bureau (吳江市住房和城鄉建設局) in the name of Suzhou Dongwu Cement Co., Ltd. in connection with 2 subject buildings of the property with a total gross floor area of 976.25 square metres.

14. The Building Ownership Certificate of the remaining buildings with a total gross floor area of approximately 9,181.57 square metres has not yet been issued. In the course of our valuation, we have assumed that these buildings has been duly examined and approved by the relevant government authorities as safe for use and in compliance with all the relevant requirements for industrial use. In addition, we have assumed that Suzhou Dongwu Cement Co., Ltd. shall have no legal impediment and subject to no substantial costs for obtaining Building Ownership Certificates for these buildings.
15. In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are as follows:
- | | | |
|---|-----|--|
| State-owned Land Use Rights Contract | Yes | |
| State-owned Land Use Rights Certificate | Yes | |
| River Work Occupation Permit | Yes | (regarding the river bank land parcel with an area of 44,374 square metres and a coastal line of 730 metres) |
| Construction Land Use Planning Permit | Yes | |
| Planning Permit for Construction Works | Yes | |
| Construction Works Commencement Permits | Yes | |
| Building Ownership Certificate | Yes | (regarding 37 subject buildings of the property with a total 23,485.85 square metres) |
16. The land use rights of one of the subject land parcels with an area of 107,553.6 square metres and building ownership rights 35 subject buildings of the property with a total gross floor area of 22,509.60 square metres are subject to a mortgage in favour of China Merchants Bank – Mudu Sub-Branch (招商銀行木瀆支行) for a maximum loan amount of RMB30,300,000 for a term commencing from 30 August 2010 to 30 August 2012.
17. We have ascribed no commercial value to the river bank land parcel with an area of 44,374 square metres on the ground that the land use rights held by Suzhou Dongwu Cement Co., Ltd. on the land parcel are non-assignable in nature.
18. The opinion from the PRC Legal Advisors of the Company on the property is as follows:
- i. Pursuant to a State-owned Land Use Rights Contract dated 1 December 2004, the land use rights in the subject land with an area of 107,553.6 square metres were granted by Wujiang Municipal Bureau of Land Resources to Suzhou Dongwu Cement Co., Ltd. for a land use right term of 50 years for industrial use. As confirmed by the Company, the land premium for the land grant has been settled in full by Suzhou Dongwu Cement Co., Ltd..
 - ii. Pursuant to a State-owned Land Use Rights Contract dated 8 May 2009, the land use rights in the subject land with an area of 10,630.1 square metres were granted by Wujiang Municipal Bureau of Land Resources to Suzhou Dongwu Cement Co., Ltd. for a land use right term of 50 years for industrial use. As confirmed by the Company, the land premium for the land grant has been settled in full by Suzhou Dongwu Cement Co., Ltd..
 - iii. Pursuant to a State-owned Land Use Rights Contract dated 1 December 2011, the land use rights in a portion of the subject land with an area of 19,387.7 square metres were granted by Wujiang Municipal Bureau of Land and Resources of Wujiang to Suzhou Dongwu Cement Co., Ltd. for a land use right term of 50 years for industrial use. As confirmed by the Company, the land premium for the land grant has been settled in full by Suzhou Dongwu Cement Co., Ltd..
 - iv. Suzhou Dongwu Cement Co., Ltd. has been issued with a State-owned Land Use Right Certificate (Ref: Wu Guo Yong (2004) Di No. 1004225 (吳國用(2004)第1004225號)) on 3 December 2004 of a portion of the subject land of the property with a site area of 107,553.6 square metres and holds the land use rights of the property for a term expiring on 30 November 2054 for industrial use.

- v. Suzhou Dongwu Cement Co., Ltd. has been issued with a State-owned Land Use Right Certificate (Ref: Wu Guo Yong (2010) Di No. 1007033 (吳國用(2010)第1007033號)) on 17 December 2010 of a portion of the subject land of the property with a site area of 10,630.1 square metres and holds the land use rights of the property for a term expiring on 19 May 2059 for industrial use.
- vi. Suzhou Dongwu Cement Co., Ltd. has been issued with a State-owned Land Use Right Certificate (Ref: Wu Guo Yong (2012) Di No. 1007376 (吳國用(2012)第1007376號)) on 17 February 2012 of a portion of the subject land of the property with a site area of 19,387.7 square metres and holds the land use rights of the property for a term expiring on 31 December 2061 for industrial use.
- vii. Suzhou Dongwu Cement Co., Ltd. has been issued with a Building Ownership Certificate (Ref: Wu Fang Quan Zheng Li Li Zi Di No. 05003082 (吳房權證黎里字第05003082號)) in connection with 35 subject buildings of the property with a total gross floor area of 22,509.60 square metres.
- viii. Suzhou Dongwu Cement Co., Ltd. has been issued with a Building Ownership Certificate (Ref: Wu Fang Quan Zheng Fen Hu Zi Di No. 06011569 (吳房權證汾湖字第06011569號)) on 29 November 2011 in connection with 2 subject buildings of the property with a total gross floor area of 976.25 square metres.
- ix. Pursuant to a maximum loan contract (Ref: 2010 Nian Su Yin Di Zi No. 6401100807 (2010年蘇招銀抵字第6401100807)) dated 10 August 2010, the land use rights of a portion of the subject land the property (as granted under the Land Use Rights Certificate Ref: Wu Guo Yong (2004) Di No. 1004225 (吳國用(2004)第1004225號)) with an area of 107,553.6 square metres and building ownership rights of 35 subject buildings of the property (as granted under the Building Ownership Right Certificates Ref: Wu Fang Quan Zheng Li Li Zi Di No. 05003082 (吳房權證黎里字第05003082號)) with a total gross floor area of 22,509.60 square metres are subject to a mortgage in favour of China Merchants Bank – Mudu Sub-Branch (招商銀行木瀆支行) for a maximum loan amount of RMB30,300,000 for a term commencing from 30 August 2010 to 30 August 2012. Suzhou Dongwu Cement Co., Ltd. is not entitled to transfer, lease, re-mortgage or by other means disposal of the mortgaged property without written consent form the mortgagee.
- x. The land use rights and the building ownership rights of the property are not subject to lawsuit, dispute, third party interests or any circumstance causing material adverse effect on them.
- xi. Suzhou Dongwu Cement Co., Ltd. is the sole legal owner of the land use rights of the 3 subject land parcels and building ownership rights of the 37 subject buildings of the property and has the rights to occupy, use, lease, transfer, mortgage or otherwise dispose of the land use rights and building ownership rights of them throughout the valid term stipulated in the State-owned Land Use Right Certificates.
- xii. Suzhou Dongwu Cement Co., Ltd. is not entitled to transfer, lease, re-mortgage or by other means disposal of the mortgaged property without written consent form the mortgagee within the mortgage period.
- xiii. For the portion of the subject land parcel with an area of 19,387.7 square metres of which land use right certificate has not yet been issued, Suzhou Dongwu Cement Co., Ltd. entered the Land Use Right Grant Contract with the Wujiang Municipal Bureau of Land Resources and applying for land use rights certificate. As confirmed by the Group, Suzhou Dongwu Cement Co., Ltd. has already paid off the land premium of the land grant and shall have no legal impediment for completing the land grant procedures and obtaining land use right certificate for the land parcel.
- xiv. The 3 subject land parcels of the property as mentioned above were originally transferred to Suzhou Dongwu Cement Co., Ltd. by Wujiang Lili Town Collectively-owned Asset Company (吳江市黎里鎮集體資產經營公司) in 2003. As Wujiang Municipal Government was not authorized to act as the grantor to grant the land use rights of the Property to Suzhou Dongwu Cement Co., Ltd., Suzhou Dongwu Cement Co., Ltd. was required to go through such formal land grant procedures as Land Use Right Grant Contract execution, settlement of land

premium and application of Land Use Right Certificate in order to secure the land use rights of the subject land parcels. Due to the maximum limit of land grant quota of the Government, the land grant procedures for the 3 subject land parcels could not be completed in one go but have to be processed in 3 phases of which the first and second phases covering a total land area of 118,183.7 square metres have been completed and the third phase (being Lot No. WJ-G-2011-251) covering a land area of 19,387.7 square metres have been completed subsequently. In this regard, the occupation of Lot No. WJ-G-2011-251 by Suzhou Dongwu Cement Co., Ltd. does not constitute illegal and unauthorized use of land and shall not subject to any punishments from the Government.

- xv. For the 5 out of 8 buildings of the property with a total gross floor area of 7,833.66 square metres of which the Building Ownership Certificate has not yet been issued on the ground that the relevant filing and registration procedures for their construction work completion have not yet been completed, Suzhou Dongwu Cement Co., Ltd. may be subject to penalty imposed under the Building Structure and Urban Facility Work Completion Examination Filing Administration Rules (房屋建築和市政基礎設施工程竣工驗收備案管理辦法). Pursuant to a Letter of Commitment issued by TSEUNG HOK MING (the controlling shareholder of Suzhou Dongwu Cement Co., Ltd.) has committed to indemnify the Company from any penalty and consequential loss arising from the aforesaid inconformity. As Suzhou Dongwu Cement Co., Ltd. has already obtained Planning Permit on Land for Construction Use (建設用地規劃許可證) (Ref: Wu Cheng Qui (2003)030693 (吳城規(2003)030693)), Planning Permit on Construction Work (建設工程規劃許可證) (Ref: Wu Cheng Qui (2003)030404 (吳城規(2003)030404)), Working Permit on Construction Works (建築工程施工許可證) (Ref: 320525200411020301) for the construction of the property with a planned land area and a planned gross floor area of 188,200 square metres and 44,400 square metres respectively and also own the land use rights of the land portion on which the aforesaid buildings are erected. In this regard, Suzhou Dongwu Cement Co., Ltd. has the rights to use the 5 subject buildings in the absence of Building Ownership Certificate. Even though Suzhou Dongwu Cement Co., Ltd. is penalized by the Government due to the failure to undergo work completion registration procedures, it shall not cause material impact on the business operations of Suzhou Dongwu Cement Co., Ltd..
- xvi. The remaining 3 buildings with a total gross floor area of 1,347.91 square metres which are erected on the river bank land of the property are not eligible to obtain Building Ownership Certificate. As long as Suzhou Dongwu Cement Co., Ltd. can renew the Construction Works Occupation Agreement (河道工程佔用證) by passing annual evaluation of the Government authorities, it is eligible to use the 3 aforesaid buildings. Further, the absence of the aforesaid 3 buildings, which are not being used for core production operations of Suzhou Dongwu Cement Co., Ltd., shall have no material impact on its business operations.
- xvii. The existing use of the property by Suzhou Dongwu Cement Co., Ltd. does not violate the permitted uses of the property.
- xviii. As revealed from a Taipu River Waterway Construction Works Occupation Agreement (太浦河河道工程佔用合同) dated 11 February 2004, Suzhou Dongwu Cement Co., Ltd. is entitled to occupy and carry out operations over a parcel of coastal land with an area of 44,374 square metres for an unspecified term at a current annual fee payment of RMB180,000.
- xix. As revealed from a Construction Works Occupation Agreement (河道工程佔用證) (Ref: Wu Shui (2011) Zhan Zi Di No. 056 (吳水(2011)佔字第056號)) dated 28 October 2011, Suzhou Dongwu Cement Co., Ltd. can occupy and manage the aforesaid river bank land parcel with an area of 44,374 square metres. The permit is valid for a period spanning between 12 March 2011 and 28 October 2012.

- xx. Suzhou Dongwu Cement Co., Ltd. has obtained a valid Construction Works Occupation Agreement (河道工程佔用證) and has paid annual fee for occupying the river bank land parcel and has successfully passed all annual evaluations to renew the river occupation permit since 2003. Its occupation of the river bank land does not violate the relevant PRC laws, regulations and directives governing occupation of river bank land. However, if the land parcel is required by the Government for river work, flood or drought prevention measures, Suzhou Dongwu Cement Co., Ltd. is required to vacate, clear and handover the river bank land parcel to the Government.

- xxi. the possibility of the river bank land parcel being resumed by the Government shall cause no operational risk to Suzhou Dongwu Cement Co., Ltd. as those facilities erected thereon can be relocated elsewhere of the property.

VALUATION CERTIFICATE

Group II – Property rented by the Group

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2012 RMB
2. Unit 2801, No. 319 Xianxia Road, Changning District, Shanghai City, the PRC. (中國上海市長寧區 仙霞路319號2801室)	The property comprises an office unit on Level 28 of a 31-storey office building which was completed in about 1999. The gross floor area of the property is approximately 200.51 square metres. The property is held by the Group under a tenancy for a term commencing on 1 January 2012 and expiring on 31 December 2012 at a annual rental of RMB800,000 inclusive of management fee, water and electricity charges.	The property is currently occupied by the Group as office.	No Commercial Value

Notes:

1. Pursuant to a tenancy agreement dated 30 December 2011, Suzhou Dongwu Cement Co., Ltd. (蘇州東吳水泥有限公司) rented the property from Shanghai Zhongze International Trading Co., Ltd. (上海中澤國際貿易有限公司) which is an independent third party for a term commencing on 1 January 2012 and expiring on 31 December 2012 at a annual rental of RMB800,000 inclusive of management fee, water and electricity charges.
2. The opinion from the PRC Legal Advisors of the Company on the property is as follows:
 - i. Shanghai Zhongze International Trading Co., Ltd. has been issued the Building Ownership Certificate of the property;
 - ii. Shanghai Zhongze International Trading Co., Ltd. as the sole legal owner of the property has the rights to enter into the tenancy agreement with Suzhou Dongwu Cement Co., Ltd., a wholly-owned subsidiary of the Company;
 - iii. The tenancy agreement of the property is legal, valid and enforceable between both parties. The tenancy agreement is currently still in force and the use of the property by Suzhou Dongwu Cement Co., Ltd. does not contravene any PRC laws and regulations;
 - iv. As at the date of the PRC legal opinion, the tenancy agreement has been registered in the relevant authority.