

- j. The 33 State-owned Land Use Rights Certificates granted to the Company are legal, valid and are recognized and protected under PRC law. The Company is the legal holder of the land use rights thereunder, legally owns the aforesaid land use rights and its ownership is complete. The land use rights may be self-occupied, transferred, leased, mortgaged or otherwise legally disposed of by the Company;
  - k. The 100 Building Ownership Certificates granted to the Company are legal, valid and are recognized and protected under PRC law. The Company is the legal holder of the building ownership, legally owns the aforesaid buildings and its ownership is complete. The buildings may be self-occupied, transferred, leased, mortgaged or otherwise legally disposed of by the Company;
  - l. The Sandaozhuang Mine, an open-pit mine, is located in San Dao Zhuang, Chi Tu Dian Town (赤土店鎮三道庄) with a site area of 1,109,747.50 sq.m. The Company has been legally and validly granted the State-owned Land Use Rights Certificate, Luan Guo Yong (2006) Di No. 084 for industrial use. The use of this land parcel for mining is in compliance with its approved and prescribed user in the State-owned Land Use Rights Certificate. Apart from this land parcel, the Company has to obtain relevant State-owned Land Use Rights Certificate for any other land parcels to be occupied for mining use;
  - m. According to a Certificate (證明) issued by Luan Chuan County Land Resources Bureau (樂川縣國土資源局) dated March 26, 2007, there are no third party encumbrances created over the property; and
  - n. According to the confirmation from the Company and the on-site inspection by the valuer, the Company has occupied the 33 land parcels and the buildings erected thereon in accordance with the land use specified under the relevant State-owned Land Use Rights Certificates.
15. We have prepared our valuation based on the following assumptions:
- a. The Company is in possession of a proper legal title to the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
  - b. All land premium and other costs of ancillary utility services have been settled in full;
  - c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities;
  - d. The property is not subject to mortgage or any other material encumbrances; and
  - e. The property may be disposed of freely to both local and overseas purchasers.

## VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at February 28, 2007</u> <u>RMB</u>
2.	Five land parcels together with various buildings and structures located at Shang He Village, Miao Zi Xiang, Luan Chuan County, Luo Yang, Henan Province, the PRC	<p>The property comprises five land parcels with a total site area of approximately 74,929.57 sq.m. upon which various buildings and structures completed between 1986 and 2005 were erected.</p> <p>The buildings and structures include various composite office buildings, workshops, storage buildings and guard houses with a total gross floor area (“GFA”) of approximately 11,333.45 sq.m.</p> <p>The land use rights of the property have been granted for a term commonly expiring on September 28, 2054 for industrial use.</p>	The property is occupied by the Group for industrial use.	<p>11,300,000</p> <p>100% interest attributable to the Group: 11,300,000</p>

*Notes:*

- Pursuant to 5 State-owned Land Use Rights Grant Contracts, Luan Guo Tu Chu Zi (2004) No. 17, No. 29, No. 36, No. 38 and No. 49 (樂國土出字(2004)17號, 29號, 36號, 38號及49號), entered into between Luan Chuan County Land Resources Bureau (樂川縣國土資源局) and Luoyang Luanchuan Molybdenum Group Co., Ltd. (洛陽樂川鋁業集團有限責任公司) (“LLMG”) dated September 28, 2004, the former has agreed to grant the land use rights of the property to the latter with a site area of approximately 74,929.57 sq.m. at a land premium of RMB5,808,200 for a common term of 50 years for industrial use.
- Pursuant to 5 State-owned Land Use Rights Certificates, Luan Guo Yong (2005) Di Nos. 120 to 123 and No. 128 (樂國用(2005)第120號至第123號及第128號), issued by Luan Chuan County People’s Government (樂川縣人民政府) all dated August 13, 2005, the land use rights of the property with a site area of approximately 74,929.57 sq.m. have been granted to Luomu Group Refining Co., Ltd. (洛陽樂川鋁業集團冶煉有限責任公司) (“Luomu Group Refining”) for a term commonly expiring on September 28, 2054 for industrial use.
- As advised by the Company, the land premium has been settled in full, details of which are summarized as below:

<u>No.</u>	<u>Document</u>
1	Henan Province Financial Office Yu Cai Zong FA [2004] No.0002853 (Land Premium Receipt) (河南省政廳豫財綜FA[2004]No.0002853《土地使用權出讓金專用票據》)
2	Henan Province Financial Office Yu Cai Zong FA [2004] No.0002852 (Land Premium Receipt) (河南省政廳豫財綜FA[2004]No.0002852《土地使用權出讓金專用票據》)
3	Henan Province Financial Office Yu Cai Zong FA [2004] No.0002851 (Land Premium Receipt) (河南省政廳豫財綜FA[2004]No.0002851《土地使用權出讓金專用票據》)
4	[2001] Yu Cai No.0050500 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050500《河南省行政事業性收費基金專用票據》)
5	[2001] Yu Cai No.0050499 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050499《河南省行政事業性收費基金專用票據》)
6	[2001] Yu Cai No.0050498 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050498《河南省行政事業性收費基金專用票據》)

<u>No.</u>	<u>Document</u>
7	[2001] Yu Cai No.0050497 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050497《河南省行政事業性收費基金專用票據》)
8	[2001] Yu Cai No.0050495 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050495《河南省行政事業性收費基金專用票據》)
9	[2001] Yu Cai No.0050496 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050496《河南省行政事業性收費基金專用票據》)
10	[2001] Yu Cai No.0050494 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050494《河南省行政事業性收費基金專用票據》)

4. Pursuant to 6 Building Ownership Certificates, Luan Fang Quan Zheng 2006 Zi Di Nos. 00002869 to 00002872, 00002736 and 00002874 (樂房權證2006字第00002869號至第00002872號, 第00002736號及第00002874號) issued by Luan Chuan County People's Government (樂川縣人民政府) all dated August 22, 2006, the building ownership rights of the property with a total GFA of 11,333.45 sq.m. are legally owned by Luomu Group Refining, details of which are summarized as below:

<u>Luan Fang Quan Zheng 2006 Zi Di No.</u>	<u>Location</u>	<u>Gross Floor Area (sq.m.)</u>
00002869	Xiang Shang He Village, Miao Zi Xiang (廟子鄉鄉上河村)	1,428.49
00002870	Xiang Shang He Village, Miao Zi Xiang (廟子鄉鄉上河村)	902.41
00002871	Xiang Shang He Village, Miao Zi Xiang (廟子鄉鄉上河村)	2,368.65
00002872	Xiang Shang He Village, Miao Zi Xiang (廟子鄉鄉上河村)	3,664.06
00002736	Xiang Shang He Village, Miao Zi Xiang (廟子鄉鄉上河村)	2,517.84
00002874	Xiang Shang He Village, Miao Zi Xiang (廟子鄉鄉上河村)	452.00

5. The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

State-owned Land Use Rights Grant Contracts	Yes
State-owned Land Use Rights Certificates	Yes
Building Ownership Certificates	Yes

6. The opinion of the PRC legal advisor to the Group contains, inter alia, the following:

- a. According to a document Luan Zheng Tu [2004] No. 22 (Regarding the Approval of retrospective conversion of part of the land parcels of Luoyang Luanchuan Molybdenum Group Co., Ltd. from State-owned allocated land use rights into granted land use rights) (樂政土[2004]22號《關於洛陽樂川鋁業集團有限公司部分原國有劃撥土地使用權補辦出讓手續的批復》), Luan Chuan County People's Government (樂川縣人民政府) has approved the grant of the land use rights of the 5 land parcels and has confirmed the amount of land premium payable;
- b. In document Luan Zheng Tu [2004] No. 22 (Regarding the Approval of retrospective conversion of part of the land parcels of Luoyang Luanchuan Molybdenum Group Co., Ltd. from State-owned allocated land use rights into granted land use rights) (樂政土[2004]22號《關於洛陽樂川鋁業集團有限公司部分原國有劃撥土地使用權補辦出讓手續的批復》), the name of LLMG is wrongly stated as 洛陽樂川鋁業集團有限公司. LLMG has already undertaken the necessary procedure in accordance with this document to obtain the State-owned Land Use Rights Certificates in the name of Luomu Group Refining, therefore, the discrepancies in the company name in this document will not have any impact on the listing of the Company;

- c. According to Henan Province Financial Office Yu Cai Zong FA [2004] No.0002853 (Land Premium Receipt) (河南省財政廳豫財綜FA[2004]No.0002853《土地使用權出讓金專用票據》), Henan Province Financial Office Yu Cai Zong FA [2004] No.0002852 (Land Premium Receipt) (河南省財政廳豫財綜FA[2004]No.0002852《土地使用權出讓金專用票據》), Henan Province Financial Office Yu Cai Zong FA [2004] No.0002851 (Land Premium Receipt) (河南省財政廳豫財綜FA[2004]No.0002851《土地使用權出讓金專用票據》), [2001] Yu Cai No.0050500 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001] 豫財No.0050500《河南省行政事業性收費基金專用票據》), [2001] Yu Cai No.0050499 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001] 豫財No.0050499《河南省行政事業性收費基金專用票據》), [2001] Yu Cai No.0050498 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001] 豫財No.0050498《河南省行政事業性收費基金專用票據》), [2001] Yu Cai No.0050497 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001] 豫財No.0050497《河南省行政事業性收費基金專用票據》), [2001] Yu Cai No.0050495 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001] 豫財No.0050495《河南省行政事業性收費基金專用票據》), [2001] Yu Cai No.0050496 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001] 豫財No.0050496《河南省行政事業性收費基金專用票據》) and [2001] Yu Cai No.0050494 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001] 豫財No.0050494《河南省行政事業性收費基金專用票據》), LLMG has settled in full the land premium of the 5 land parcels in accordance with a document Luan Zheng Tu [2004] No. 22 (Regarding the Approval of retrospective conversion of part of the land parcels of Luoyang Luanchuan Molybdenum Group Co., Ltd. from State-owned allocated land use rights into granted land use rights) (樂政土 [2004]22 號《關於洛陽樂川鉬業集團有限公司部份原國有劃撥土地使用權補辦出讓手續的批復》) issued by Luan Chuan County People's Government (樂川縣人民政府);
- d. According to a document Luan Zheng Wen [2002] No. 43 (Regarding the Approval for the reorganization of Luomu Group Refining Co., Ltd.) (樂政文[2002]43號《關於組建洛陽樂川鉬業集團冶煉有限責任公司的批復》) and a report Luan Hui Yan Zi (2002) Di No. 18 (Capital Examination Report) (樂會驗字(2002)第18號《驗資報告》) dated May 29, 2002 issued by Luan Chuan County People's Government (樂川縣人民政府) and Luan Chuan County Yi Xiang Accountant Co., Ltd. (樂川縣伊祥會計師事務所有限責任公司) respectively, LLMG has transferred the 5 land parcels to Luomu Group Refining by way of capital injection. The relevant State-owned Land Use Rights Certificates have been granted to Luomu Group Refining as at August 13, 2005;
- e. The content and format of the 5 State-owned Land Use Rights Grant Contracts conform to the requirement of the PRC law and are recognized and protected under PRC law. The contracts are legally binding on the parties involved and are legally enforceable;
- f. The 5 State-owned Land Use Rights Certificates granted to Luomu Group Refining are legal, valid and are recognized and protected under PRC law. Luomu Group Refining is the legal holder of the land use rights thereunder, legally owns the aforesaid land use rights and its ownership is complete. The land use rights may be self-occupied, transferred, leased, mortgaged or otherwise legally disposed of by Luomu Group Refining;
- g. The 6 Building Ownership Certificates granted to Luomu Group Refining are legal, valid and are recognized and protected under PRC law. Luomu Group Refining is the legal holder of the building ownership, legally owns the aforesaid buildings and its ownership is complete. The buildings may be self-occupied, transferred, leased, mortgaged or otherwise legally disposed of by Luomu Group Refining;
- h. According to a Certificate (證明) issued by Luan Chuan County Land Resources Bureau (樂川縣國土資源局) dated March 26, 2007, there are no third party encumbrances created over the property; and
- i. According to the confirmation from Luomu Group Refining and the on-site inspection by the valuer, Luomu Group Refining has occupied the 5 land parcels and the buildings erected thereon in accordance with the land use specified under the relevant State-owned Land Use Rights Certificates.
7. We have prepared our valuation based on the following assumptions:
- a. Luomu Group Refining is in possession of a proper legal title to the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
- b. All land premium and other costs of ancillary utility services have been settled in full;

- c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities;
  - d. The property is not subject to mortgage or any other material encumbrances; and
  - e. The property may be disposed of freely to both local and overseas purchasers.
8. Luomu Group Refining is a wholly-owned subsidiary of the Company.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at February 28, 2007 RMB
3.	A land parcel together with various buildings and structures located at Luo Zhuang Village, Luan Chuan County, Luo Yang, Henan Province, the PRC	The property comprises a land parcel with a site area of approximately 50,205.64 sq.m. upon which various buildings and structures completed between 1986 and 2006 were erected.  The buildings and structures include various composite office buildings, workshops, storage buildings, canteen and guard houses with a total gross floor area ("GFA") of approximately 15,653.02 sq.m.  The land use rights of the property have been granted for a term expiring on August 24, 2055 for industrial use.	The property is occupied by the Group for industrial use.	16,500,000  75% interest attributable to the Group: 12,375,000

*Notes:*

- Pursuant to a State-owned Land Use Rights Grant Contract, Luan Guo Tu Chu Zi (2005) No. 13 (樂國土出字(2005)13號), entered into between Luan Chuan County Land Resources Bureau (樂川縣國土資源局) and Luoyang Luanchuan Molybdenum Group Co., Ltd. (洛陽樂川鎢業集團有限責任公司) ("LLMG") dated August 24, 2005, the former has agreed to grant the land use rights of the property to the latter with a site area of approximately 50,205.64 sq.m. at a land premium of RMB10,448,800 for a term of 50 years for industrial use.
- Pursuant to a State-owned Land Use Rights Certificate, Luan Guo Yong (2005) Di No. 119 (樂國用(2005)第119號), issued by Luan Chuan County People's Government (樂川縣人民政府) dated September 12, 2005, the land use rights of the property with a site area of approximately 50,205.64 sq.m. have been granted to Luoyang Dachuan Molybdenum & Tungsten Technology Co., Ltd. (洛陽大川鎢錳科技有限責任公司) ("Dachuan") for a term expiring on August 24, 2055 for industrial use.
- As advised by the Company, the land premium has been settled in full, details of which are summarized as below:

No.	Document
1	Henan Province Financial Office Yu Cai Zong FA [2004] No.0002853 (Land Premium Receipt) (河南省財政廳豫財綜FA[2004]No.0002853《土地使用權出讓金專用票據》)
2	Henan Province Financial Office Yu Cai Zong FA [2004] No.0002852 (Land Premium Receipt) (河南省財政廳豫財綜FA[2004]No.0002852《土地使用權出讓金專用票據》)
3	Henan Province Financial Office Yu Cai Zong FA [2004] No.0002851 (Land Premium Receipt) (河南省財政廳豫財綜FA[2004]No.0002851《土地使用權出讓金專用票據》)
4	[2001] Yu Cai No.0050500 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050500《河南省行政事業性收費基金專用票據》)
5	[2001] Yu Cai No.0050499 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050499《河南省行政事業性收費基金專用票據》)
6	[2001] Yu Cai No.0050498 (Henan Province Administrative Affairs Charging Fund Receipt) ([2001]豫財No.0050498《河南省行政事業性收費基金專用票據》)