

4. Pursuant to 7 Building Ownership Certificates, Luan Fang Quan Zheng 2007 Zi Di Nos. 00003054 to 00003060 (樂房權證2007字第00003054號至第00003060號) issued by Luan Chuan County People's Government (樂川縣人民政府) all dated January 25, 2007 and 2 Building Ownership Certificates, Luan Fang Quan Zheng 2007 Zi Di Nos. 00003061 and 00003062 (樂房權證2007字第00003061及00003062號) issued by Luan Chuan County People's Government (樂川縣人民政府) all dated January 26, 2007, the building ownership rights of the property located at Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town, with a total GFA of 13,251.65 sq.m. are legally owned by Dadongpo, details of which are summarized as below:

Luan Fang Quan Zheng 2007 Zi Di No.	Location	Gross Floor Area (sq.m.)
00003055	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	302.75
00003056	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	682.15
00003057	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	344.29
00003058	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	1,900.36
00003059	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	3,253.15
00003060	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	1,055.55
00003061	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	669.97
00003062	Da Dong Po, Qing He Tang Group, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村清和堂組大東坡)	4,200.94
00003054	Government Gou Kou, Qing He Tang Village, Chi Tu Dian Town (赤土店鎮清和堂村政府溝口)	842.49

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 [2007] No. 04 (Regarding the Approval of Granting Proposal of the land use rights of two land parcels of Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd.) (樂政土[2007]04號《關於樂川縣大東坡鎢鉬礦業有限公司二宗土地使用權出讓方案的批復》) dated January 13, 2007, the Luan Chuan County People's Government (樂川縣人民政府) has approved the grant of the land use rights of the land parcels and has confirmed the amount of land premium payable to be RMB2,360,850, which is 50% of the land value;
- b. According to a Certificate (證明) issued by Luan Chuan County Land Resources Bureau (樂川縣國土資源局) dated January 23, 2007, it has been confirmed that the amount of land premium payable for the land parcels is the amount as stated in Luan Zheng Tu [2007] No. 04 (Regarding the

Approval of Granting Proposal of the land use rights of two land parcels of Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd.) (樂政土[2007]04號《關於樂川縣大東坡鎢鉬礦業有限公司二宗土地使用權出讓方案的批復》);

- c. According to [2001] Yu Cai Zong No. 0003933 (Henan Province Financial Office Land Premium Receipt) ([2001]豫財綜 No. 0003933 《河南省財政廳土地使用權出讓金專用票據》) and [2001] Yu Cai Zong No. 0003934 (Henan Province Financial Office Land Premium Receipt) ([2001]豫財綜 No. 0003934 《河南省財政廳土地使用權出讓金專用票據》), Dadongpo has settled the land premium of the two land parcels in the total amount of RMB2,360,850;
 - d. According to the two State-owned Land Use Rights Grant Contracts as detailed in Note 1, the grantee can transfer the land use rights on the condition that the grantee has invested and developed on the land parcels with over 25% of the investment amount. As the buildings thereon have been constructed completely and occupied currently, Dadongpo may transfer the land use rights without this limitation;
 - e. The content and format of the 2 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 2 State-owned Land Use Rights Certificates granted to Dadongpo are legal, valid and are recognized and protected under PRC law. Dadongpo 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 Dadongpo;
 - g. The 9 Building Ownership Certificates granted to Dadongpo are legal, valid and are recognized and protected under PRC law. Dadongpo 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 Dadongpo;
 - h. According to a Certificate (証明) 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 property; and
 - i. According to the confirmation from Dadongpo and the on-site inspection by the valuer, Dadongpo has occupied the 2 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. Dadongpo is in possession of a property 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. Dadongpo is a 51%-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
7.	Two land parcels together with various buildings and structures located at He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town, Luo Yang, Henan Province, the PRC	<p>The property comprises two land parcels with a total site area of approximately 28,679.104 sq.m. upon which various buildings and structures completed between 1987 and 2005 were erected.</p> <p>The buildings and structures include composite office buildings, workshops, storage buildings and guard room with a total gross floor area of approximately 9,019.15 sq.m.</p> <p>The land use rights of the property are held for a term of 50 years expiring on January 12, 2057 for industrial use.</p>	The property is occupied by the Group for industrial use.	<p>7,500,000</p> <p>51% interest attributable to the Group: 3,825,000</p>

Notes:

- Pursuant to 2 State-owned Land Use Rights Grant Contracts (國有土地使用權出讓合同), Nos. 2007-004 to 2007-005 (2007-004至2007-005號), entered into between Luan Chuan County Land Resources Bureau (樂川縣國土資源局) and Luanchuan County Jiuyang Mining Co., Ltd. (樂川縣九揚礦業有限公司) (“Jiuyang Mining”) all dated January 12, 2007, the former has agreed to grant the land use rights of the property to the latter with a total site area of approximately 28,679.104 sq.m. at a land premium of RMB4,819,200 for a term of 50 years for industrial use.
- Pursuant to 2 State-owned Land Use Rights Certificates, Luan Guo Yong (2007) Di No. 008 to 009 (樂國用(2007)第008至009號), issued by Luan Chuan County People’s Government (樂川縣人民政府) all dated January 12, 2007, the land use rights of the property with a total site area of approximately 28,679.104 sq.m. have been granted to Jiuyang Mining for a term of 50 years expiring on January 12, 2057 for industrial use.
- As advised by the Company, the land premium has been settled in full according to 2 respective Certificates (証明) as detailed in Notes 9a and 9b, the details of which are summarized as below:

No.	Document
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- | | |
|----|--|
| 1 | [2001] Yu Cai Zong No. 0003936 (Henan Province Financial Office Land Premium Receipt)
([2001] 豫財綜No. 0003936《河南省財政廳土地使用權出讓金專用票據》) |
| 4. | Pursuant to 3 Building Ownership Certificates, Luan Fang Quan Zheng 200720 Zi Di Nos. 00003063 to 00003065 (樂房權證200720字第00003063號至第00003065號) issued by Luan Chuan County People’s Government (樂川縣人民政府) all dated January 25, 2007, the building ownership rights of the property located at He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town, with a total GFA of 4,629.33 sq.m. are legally owned by Jiuyang Mining. |
| 5. | Pursuant to 3 Building Ownership Certificates, Luan Fang Quan Zheng 2007 Zi Di Nos. 00003066 to 00003068 (樂房權證2007字第00003066號至第00003068號) issued by Luan Chuan County People’s Government (樂川縣人民政府) all dated January 25, 2007, the building ownership rights of the property located at He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town with a total GFA of 3,179.41 sq.m. is legally owned by Jiuyang Mining. |

6. Pursuant to a Building Ownership Certificate, Luan Fang Quan Zheng 2007 Zi Di No. 00003085 (樂房權證2007字第00003085號) issued by Luan Chuan County People's Government (樂川縣人民政府) dated January 25, 2007, the building ownership rights of the property located at Chi Tu Dian Street, Chi Tu Dian Town with a GFA of 1,210.41 sq.m. is legally owned by Jiuyang Mining.

7. Details of the aforesaid Building Ownership Certificates are as follows:

<u>Luan Fang Quan Zheng 200720 Zi Di No.</u>	<u>Location</u>	<u>Gross Floor Area (sq.m.)</u>
00003063	He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town (赤土店鎮赤土店村河西組)	529.45
00003064	He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town (赤土店鎮赤土店村河西組)	3,512.60
00003065	He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town (赤土店鎮赤土店村河西組)	587.28

<u>Luan Fang Quan Zheng 2007 Zi Di No.</u>	<u>Location</u>	<u>Gross Floor Area (sq.m.)</u>
00003066	He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town (赤土店鎮赤土店村河西組)	985.27
00003067	He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town (赤土店鎮赤土店村河西組)	1,485.70
00003068	He Xi Group, Chi Tu Dian Village, Chi Tu Dian Town (赤土店鎮赤土店村河西組)	708.44
00003085	Chi Tu Dian Street, Chi Tu Dian Town (赤土店鎮赤土店街)	1,210.41

8. 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 Right Certificates	Yes
Building Ownership Certificates	Yes

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

- a. According to a document Luan Zheng Tu [2007] No. 02 (Regarding the Approval of Granting Proposal of the land use rights of two land parcels of Luanchuan County Jiuyang Mining Co., Ltd.) (樂政土[2007]02號《關於樂川縣九揚礦業有限公司二宗土地使用權出讓方案的批復》) dated January 13, 2007, the Luan Chuan County People's Government (樂川縣人民政府) has approved the grant of the land use rights of the land parcels and has confirmed the amount of land premium payable to be RMB2,409,600, which is 50% of the land value;
- b. According to a Certificate (證明) issued by Luan Chuan County Land Resources Bureau (樂川縣人民政府) dated January 23, 2007, it has been confirmed that the amount of land premium payable for the land parcels is the amount as stated in Luan Zheng Tu [2007] No. 02 (Regarding the Approval of Granting Proposal of the land use rights of two land parcels of Luanchuan County Jiuyang Mining Co., Ltd.) (樂政土[2007]02號《關於樂川縣九揚礦業有限公司二宗土地使用權出讓方案的批復》);
- c. According to [2001] Yu Cai Zong No. 0003936 (Henan Province Financial Office Land Premium Receipt) ([2001]豫財綜 No. 0003936 《河南省財政廳土地使用權出讓金專用票據》), Jiuyang Mining has settled the land premium of the two land parcels in the total amount of RMB2,409,600;

- d. According to the two State-owned Land Use Rights Grant Contracts, the grantee can transfer the land use rights on the condition that the grantee has invested and developed on the land parcels with over 25% of the investment amount. As the buildings thereon have been constructed completely and occupied currently, Jiuyang Mining may transfer the land use rights without this limitation;
 - e. The content and format of the 2 State-owned Land Use Rights Grant Contracts of the property 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 2 State-owned Land Use Rights Certificates granted to Jiuyang Mining are legal, valid and are recognized and protected under PRC law. Jiuyang Mining 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 Jiuyang Mining;
 - g. The 7 Building Ownership Certificates granted to Jiuyang Mining are legal, valid and are recognized and protected under PRC law. Jiuyang Mining 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 the Jiuyang Mining;
 - 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 Jiuyang Mining and the on-site inspection by the valuer, Jiuyang Mining has occupied the 2 land parcels and the buildings erected thereon in accordance with the land use specified under the relevant State-owned Land Use Rights Certificates.
9. We have prepared our valuation based on the following assumptions:
- a. Jiuyang Mining is in possession of a property 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.
10. Jiuyang Mining is a 51%-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
8.	A building and structure located at south of Jun Shan West Road, Luan Chuan County, Luo Yang, Henan Province, the PRC	The property comprises a composite building and structure with a gross floor area ("GFA") of approximately 1,917.97 sq.m. completed in about 1984.	The property is occupied by the Group for industrial use.	1,500,000 100% interest attributable to the Group: 1,500,000

Notes:

1. The land with a site area of 22,727.44 sq.m., upon which the property is erected, is held under a State-owned Land Use Rights Grant Contract, Luan Guo Tu Chu Zi (2004) No. 39 (樂國土出字(2004)39號) and a State-owned Land Use Rights Certificate, Luan Guo Yong (2006) Di No. 087 (樂國用(2006)第087號) by the Company. The value of the land is included in Property No. 1.
2. Pursuant to a Building Ownership Certificate, Luan Fang Quan Zheng 2006 Zi Di No. 00002864 (樂房權證2006字第00002864號) issued by Luan Chuan County People's Government (樂川縣人民政府) dated August 22, 2006, the building ownership rights of the property located with a GFA of 1,917.97 sq.m. is legally owned by Luomu Group Sales and Trading Co., Ltd. (洛陽樂川鉅業集團鎢鉭銷售貿易有限責任公司) ("Luomu Group Sales and Trading").
3. 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 Contract (included in Property 1)	Yes
State-owned Land Use Rights Certificate (included in Property 1)	Yes
Building Ownership Certificate	Yes
4. The opinion of the PRC legal advisor to the Group contains, inter alia, the following:
 - a. The Building Ownership Certificate granted to Luomu Group Sales and Trading is legal, valid and is recognized and protected under PRC law. Luomu Group Sales and Trading is the legal holder of the building ownership, legally owns and can legally use the aforesaid building and structure. As the land, upon which the building and structure are erected, is owned by the Company, any transfer of the building and structure should be transferred together with such land;
 - b. Luomu Group Sales and Trading should obtain consent from the Company prior to lease, mortgage or other disposal of the building and structure and should attend to lease registration procedure for lease of the property;
 - c. Since Luomu Group Sales and Trading is a wholly-owned subsidiary of the Company, the above legal defects will not create any real risk for the Company;
 - d. 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
 - e. According to the confirmation from Luomu Group Sales and Trading and the on-site inspection by the valuer, Luomu Group Sales and Trading has occupied the building and structure erected on the land parcel in accordance with the land use specified under the relevant State-owned Land Use Rights Certificate.

5. We have prepared our valuation based on the following assumptions:
 - a. The Company and Luomu Group Sales and Trading are in possession of a proper legal title to the property and are 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. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities;
 - c. The property is not subject to mortgage or any other material encumbrances; and
 - d. The property may be disposed of freely to both local and overseas purchasers.
6. Luomu Group Sales and Trading is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

Group II — Property held by the Group for development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at February 28, 2007 RMB
9.	A land parcel located at South of Kaiyuan Main Road/West of Jin Cheng Zhai Street/North of Jing Guan Er Zhi Qu/East of Yong Di Jie and another land parcel located at West of Jin Cheng Zhai Street/ North of Zhan Lan Road/South of Jing Guan Er Zhi Qu to be developed into Luoyang Molybdenum International Hotel (洛陽鎢業國際飯店), Luo Yang, Henan Province, the PRC	<p>The property comprises two land parcels (namely Land I and Land II) with a total site area of approximately 43,889.9 sq.m.</p> <p>Construction works are being undertaken on Land I of the property, which is proposed to be developed into Luoyang Molybdenum International Hotel (洛陽鎢業國際飯店). According to the Construction Project Planning Permit and the Construction Project Commencement Permit of Land I of the Property, the proposed development upon completion will have a total gross floor area (“GFA”) of approximately 46,419 sq.m.</p> <p>The land use rights of Land I of the property have been granted for a term of 40 years expiring on November 1, 2045 for commercial use whereas the land use rights of Land II of the property have been granted for terms of 40 years, 70 years and 50 years commencing on July 10, 2006 for commercial use, residential use and public facility use respectively.</p>	The property is held by the Group for development use.	151,800,000 100% interest attributable to the Group: 151,800,000

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract No. 05-110, entered into between Luoyang City Land Resources Bureau (洛陽市國土資源局) and Luoyang Luanchuan Molybdenum Group Co., Ltd. (洛陽樂川鎢業集團有限責任公司) (“LLMG”) dated November 2, 2005, the former has agreed to grant the land use rights of Land I of the property to the latter with a site area of approximately 18,154.797 sq.m. at a land premium of RMB10,892,878.20 for a term of 40 years for commercial use.
- Pursuant to a State-owned Land Use Rights Certificate, Lou Shi Guo Yong (2006) Di No. 05001587 (洛市國用(2006)第05001587號), issued by Luoyang City People’s Government (洛陽市人民政府) dated December 25, 2006, the land use rights of Land I of the property with a site area of approximately 18,154.8 sq.m. have been issued in the name of to Luoyang Mudu International Hotel Co., Ltd. (洛陽鎢都國際飯店有限公司) (“Mudu”) for a term of 40 years expiring on November 1, 2045 for commercial use.

3. As advised by the Company, the land premium of Land I has been settled in full, details of which are summarized as below:

<u>No.</u>	<u>Document</u>
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| 1 | [2001] Yu Cai Zong No. 0004736 (Land Premium Receipt)
([2001]豫財綜No.0004736《土地使用權出讓金專用票據》) |
| 2 | [2001] Yu Cai Zong No. 0003769 (Land Premium Receipt)
([2001]豫財綜No.0003769《土地使用權出讓金專用票據》) |
4. Pursuant to a Construction Land Planning Permit (建設用地規劃許可證), No. 05-124, issued by Luoyang City Planning Bureau (洛陽市城市規劃局), dated August 29, 2005, Land I of the property is permitted for the development of Luoyang Molybdenum International Hotel (洛陽鎢業國際飯店).
5. Pursuant to a Construction Project Planning Permit (建設工程規劃許可證), No. 2007-046, issued by Luoyang City Planning Bureau (洛陽市城市規劃局), dated February 7, 2007, Land I of the property is permitted for the development of Luoyang Molybdenum International Hotel (洛陽鎢業國際飯店) including 1 level of basement and 26 levels of superstructure with a GFA of approximately 46,419 sq.m.
6. Pursuant to a Construction Project Commencement Permit (建設工程施工許可證), No. 2005-314, issued by Luoyang City Construction Committee (洛陽市建設委員會), dated October 8, 2005, construction works are permitted to be commenced on Land I of the property for the development of Luoyang Molybdenum International Hotel (洛陽鎢業國際飯店) with a GFA of approximately 46,419 sq.m. and the construction works are to be completed by May 1, 2007.
7. As advised by the Group, the total construction cost for the development is estimated to be approximately RMB239,500,000 out of which the total construction cost expended for the development up to February 28, 2007 is approximately RMB118,900,000.
8. For reference purpose, the capital value of the development on Land I of the property upon completion is estimated to be approximately RMB300,000,000.
9. Pursuant to a State-owned Land Use Rights Grant Contract No. 06-98, entered into between Luoyang City Land Resources Bureau (洛陽市國土資源局) and LLMG dated July 10, 2006, the former has agreed to grant the land use rights of Land II of the property to the latter with a site area of approximately 25,735.082 sq.m. at a land premium of RMB18,121,180.35 for terms of 40 years, 70 years and 50 years for commercial use, residential use and public facility use respectively.
10. Pursuant to a State-owned Land Use Rights Certificate, Lou Shi Guo Yong (2006) Di No. 05001586 (洛市國用(2006)第05001586號), issued by Luoyang City People's Government (洛陽市人民政府) dated December 25, 2006, the land use rights of Land II of the property with a total site area of approximately 25,735.1 sq.m. (including 10,000 sq.m. for residential use and 15,735.1 sq.m. for commercial use) have been issued in the name of Mudu for a term expiring on July 10, 2076 and July 10, 2046 respectively for mixed residential use.
11. As advised by the Company, the land premium of Land II of the property has been settled in full, details of which are summarized as below:

<u>No.</u>	<u>Document</u>
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|---|---|
| 1 | Yu Cai Zong FA (2004) No. 0030008 (Henan Province Financial Office Land Premium Receipt)
(豫財綜FA(2004)No.0030008《河南省財政廳土地使用權出讓金專用票據》) |
|---|---|
12. 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
Construction Land Planning Permit (Land I only)	Yes
Construction Project Planning Permit (Land I only)	Yes
Construction Project Commencement Permit (Land I only)	Yes

13. The opinion of the PRC legal advisor to the Group contains, inter alia, the following:
- a. According to a document Luo Zheng Tu [2005] No. 121 (Regarding the Approval of Granting Proposal of State-owned land use rights of 17 commercial land parcels of residential district for senior level citizens in Luoyang New District) (洛政土[2005]121號《關於洛陽新區高層次人才居住區商業地塊等17宗國有土地使用權出讓方案的批復》), and Luo Gou Tu [2005] No.348 (Regarding the Approval of granting State-owned land use rights to Luoyang City Luanchuan Molybdenum Group Co., Ltd.) (洛國土[2005]348號《關於向洛陽市樂川鉬業集團有限責任公司出讓國有土地使用權的批復》), Luoyang City People's Government (洛陽市人民政府) and Luoyang City Land Resources Bureau (洛陽市國土資源局) have respectively approved the grant of the land use rights of Land I of the property to LLMG;
 - b. In document Luo Guo Tu [2005] No. 348 (Regarding the Approval of granting State-owned land use rights to Luoyang City Luanchuan Molybdenum Group Co., Ltd.) (洛國土[2005]348號《關於向洛陽市樂川鉬業集團有限責任公司出讓國有土地使用權的批復》), the name of LLMG is wrongly stated as Luoyang City Luanchuan Molybdenum Group Co., Ltd. (洛陽市樂川鉬業集團有限責任公司). LLMG has already undertaken the necessary procedure in accordance with this document to obtain the State-owned Land Use Rights Certificate in the name of Mudu, therefore, the discrepancies in the company name in this document will not have any impact on the listing of the Company;
 - c. According to [2001] Yu Cai Zong No. 0004736 (Land Premium Receipt) ([2001]豫財綜 No. 0004736《土地使用權出讓金專用票據》) and [2001] Yu Cai Zong No. 0003769 (Land Premium Receipt) ([2001]豫財綜 No. 0003769《土地使用權出讓金專用票據》), LLMG has settled the land premium in full of Land I of the property. According to Yu Cai Zong FA [2004] No. 0030008 (Henan Province Financial Office Land Premium Receipt) (豫財綜 FA [2004] No. 0030008《河南省財政廳土地使用權出讓金專用票據》), LLMG has settled in full the land premium of Land II of the property in accordance with the State-owned Land Use Rights Grant Certificate as detailed in Note 9;
 - d. The content and format of the 2 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;
 - e. The 2 State-owned Land Use Rights Certificates granted to Mudu are legal, valid and are recognized and protected under the PRC law. Mudu 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 Mudu;
 - f. According to a Certificate (證明) issued by Construction Area Department of New District Development Construction Office in Luoyang City (洛陽市新區開發建設辦公室建設用地處) dated March 26, 2007, there are no third party encumbrances created over the property;
 - g. According to the confirmation from Mudu and the on-site inspection by the valuer, Mudu has occupied the 2 land parcels and the buildings erected thereon in accordance with the land use specified under the relevant State-owned Land Use Rights Certificates;
 - h. Mudu possesses complete legal right for the development of Land I of the property; and
 - i. After complying with all the necessary procedures to certify completion of the development on Land I of the property, Mudu can obtain the Building Ownership Certificate. Upon completion of the development on Land I of the property, there exist no legal impediments for Mudu to obtain the Building Ownership Certificate for the property.
14. We have prepared our valuation based on the following assumptions:
- a. Mudu 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 development 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.
15. Mudu is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

Group III — Property held by the Group for future development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at February 28, 2007 RMB
10.	Three land parcels located at Luan Chuan County, Luo Yang, Henan Province, the PRC	The property comprises three land parcels (namely Land I, Land II and Land III) with a total site area of approximately 637,398.89 sq.m. The land use rights of the property have been granted for various terms with the latest term expiring in September 25, 2067 for industrial use and residential use respectively.	The property is vacant and is held by the Group for future development use.	51,000,000 100% interest attributable to the Group: 51,000,000

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate, Luan Guo Yong (2006) Di No. 79 (樂國用(2006)第79號), issued by Luan Chuan County People's Government (樂川縣人民政府) dated August 31, 2006, the land use rights of Land I of the property with a site area of approximately 278,686.60 sq.m. have been granted to the Company for a term expiring in December 15, 2048 for industrial use.
2. Pursuant to a State-owned Land Use Rights Certificate, Luan Guo Yong (2006) Di No. 80 (樂國用(2006)第80號), issued by Luan Chuan County People's Government (樂川縣人民政府) dated August 31, 2006, the land use rights of Land II of the property with a site area of approximately 356,069.35 sq.m. have been granted to the Company for a term expiring in September 28, 2054 for industrial use.
3. Pursuant to a State-owned Land Use Rights Certificate, Luan Guo Yong (2006) Di No. 82 (樂國用(2006)第82號), issued by Luan Chuan County People's Government (樂川縣人民政府) dated August 31, 2006, the land use rights of Land III of the property with a site area of approximately 2,642.94 sq.m. have been granted to the Company for a term expiring in September 25, 2067 for residential use.
4. As advised by the Company, the State-owned Land Use Rights Grant Contracts for the State-owned Land Use Rights Certificates as referred to in Notes 1 to 3 and the receipt for payment of the land premium cannot be found.
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 Certificates	Yes
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6. The opinion of the PRC legal advisor to the Group contains, inter alia, the following:
 - a. The 3 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;

- b. Although the State-owned Land Use Rights Grant Contracts to the State-owned Land Use Rights Certificates as referred to in Notes 1 to 3 cannot be located, Luan Chuan County Land Resources Bureau have confirmed that the land premium has been settled in full and the terms of the land use rights will expire on December 15, 2048, September 28, 2054 and September 25, 2067 for Land I, Land II and Land III respectively; and
 - c. According to a Certificate (証明) 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
 - d. According to the confirmation from the Company and the on-site inspection by the valuer, the Company has occupied the 3 land parcels 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. 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 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.