

The following is the text of a letter and valuation certificates, prepared for the purpose of incorporation in this prospectus, received from Grant Sherman Appraisal Limited, an independent qualified property valuer, in connection with its valuation as at 31st August, 2008.



Room 1701 on 17/F
Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong

21st November, 2008

The Board of Directors
CVM Minerals Limited 南亞礦業有限公司
8th Floor, Gloucester Tower,
The Landmark,
15 Queen's Road Central,
Hong Kong

Dear Sirs or Madams,

In accordance with your instructions to value the property interests held by CVM Minerals Limited 南亞礦業有限公司 (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in Malaysia, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for providing you with our opinion of the value of the property interests as at 31st August, 2008.

Our valuation of the property interests is our opinion of the market value which we would define as intended to mean the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Due to the nature of the buildings and structures of Group I, there are no market sales comparables readily available, the property interests of Group I have been valued on the basis of their depreciated replacement cost ("DRC").

DRC is based on an estimate of the market value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

We have attributed no commercial value to the property interest in Group II 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 rents.

Our valuation has been made on the assumption that the Company sells the property interest on the market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the property interest.

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

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

We have been provided with copies of extracts of title documents relating to the property. We have not inspected the original documents to verify ownership or to verify any amendments. In the preparation of our valuation report regarding the properties in Malaysia, we have relied to the considerable extent on the legal opinion provided by the Company's legal adviser, Ben & Partners on the Malaysia laws regarding the titles of the property in Malaysia.

We have relied on a considerable extent on information provided by the Company on such matters as statutory notices, easements, tenure, occupation, floor areas, identification of the property and all other relevant matters. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information supplied. All documents have been used as reference only.

Other special assumptions for the property, if any, have been stated in the footnotes of the valuation certificate.

We have inspected the exterior and wherever possible, the interior of the properties included in the attached valuation certificates. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the properties are free from rot, infestation or other defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the property 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. No on-site measurement has been taken.

Unless otherwise stated, all property values are denominated in Malaysian Ringgit (“RM”).

Our valuation certificates are enclosed herewith.

Yours faithfully,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED
Peggy Y. Y. Lai
MRICS MHKIS RPS (GP)
Associate Director
Real Estate Group

Note: Ms. Peggy Y.Y. Lai is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors and Registered Professional Surveyors in the General Practice Section, who has over 5 years experience in the valuation of properties in Hong Kong, the PRC and the Asian Region including Malaysia.

VALUATION CERTIFICATE

Group I — Property interest held by the Group for owner occupation in Malaysia

Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 31st August, 2008 RM
1. A piece of land held under HS(D)24477, PT19594, Mukim Asam Kumbang, District of Larut and Matang in the State of Perak, situated in the Kamunting Raya III Industrial Estate, Taiping, Perak, Malaysia	<p>The property comprises a parcel of industrial land with a site area of (263,046 square metres).</p> <p>As advised by the Company, the property will be developed into a magnesium ingot producing plant with a total construction area of about 77,863 sq.m.. The property is expected to be completed in or about March 2009.</p> <p>The property is a leasehold land for a period of 99 years expiring on 29th May, 2107.</p> <p>At the date of inspection, preliminary construction works were in progress.</p>	The property is currently vacant.	68,000,000

Notes:

- (1) The opinion given by Ben & Partners, the Malaysian legal advisers to the Company contains, *inter alias*, the following information:
- a. CVM had on 5th April, 2006 entered into a Sale and Purchase Agreement with Perbadanan Kemajuan Negeri Perak ("SEDC"), a shareholder of the Company for the purchase of a piece of land measuring approximately 65 acres ("Smelter Land") for the purchase price of RM5,662,800 and for the sole purpose of setting up a magnesium ingot producing factory.
 - b. CVM has obtained the title to the property duly registered in its name and CVM is the registered and beneficial owner of the property.

- c. According to a land search dated 17th November, 2008 on the title of the land (held under HS(D)24477, PT 19594, Mukim Asam Kumbang, District of Larut & Matang):
- (i) the category of the land use and the express condition are industrial;
 - (ii) the restrictions in interest provide that the land can only be transferred, leased or charged with the prior written approval from the State Authority;
 - (iii) CVM is the registered proprietor of the land since 1st July, 2008; and
 - (iv) the land is charged to Bank Kerjasama Rakyat Malaysia Berhad ("Rakyat") which was registered on 20th October, 2008;
- (2) As advised by the Group, the total estimated construction cost of the development is about RM187,000,000. As at the date of valuation the total cost already spent on the development is about RM83,567,104.5.
- (3) As advised by the Group, under market basis the consideration for the land is RM5,662,800.

VALUATION CERTIFICATE

Group II — Property interest leased and occupied by the Group in Malaysia

		Capital value in existing state as at 31st August, 2008									
Property	Description and Tenure	Particulars of Occupancy	RM								
2.	2nd floor, No. 35, 37 & 39 and 3rd floor of No. 39, Jalan Maharajalela, 50150 Kuala Lumpur, Malaysia	<p>The property comprises of whole of 2nd floor and an unit on 3rd floor of a 4-storey office building known as Wisma Ho Wah Genting which is about 22 years of age.</p> <p>The total gross area of the property is approximately 566 sq.m.. The details are as follows:</p> <table><tr><th>Floor</th><th>Gross Floor Area (sq.m.)</th></tr><tr><td>2nd Floor (Nos. 35, 37 & 39)</td><td>408</td></tr><tr><td>3rd Floor (No. 39)</td><td>158</td></tr><tr><td>Total</td><td>566</td></tr></table> <p>The subject building is erected on the land held under GRN 8393, Lot 1066, Seksyen 0069, GRN 8394, Lot 1067, Seksyen 0069 and GRN 8395, Lot 1068, Seksyen 0069, City of Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan, Malaysia.</p> <p>Annual Rate for Lot No. 1066 amounts to RM10,152.</p> <p>Annual Rate payable for Lot Nos. 1067 and 1068 amount to RM22,320.</p>	Floor	Gross Floor Area (sq.m.)	2nd Floor (Nos. 35, 37 & 39)	408	3rd Floor (No. 39)	158	Total	566	<p>No commercial value</p> <p>The property is currently occupied by the Group as its head office.</p> <p>The property is subject to a tenancy agreement dated 10th August, 2007 together with its supplement dated 17th September, 2008 entered between HWGB (“landlord”) and CVM (“tenant”) for a term commencing from 1st January, 2007 to 31st December, 2008 and as extended to 31st December, 2009 at a monthly rental of RM7,000 exclusive of other charges.</p>
Floor	Gross Floor Area (sq.m.)										
2nd Floor (Nos. 35, 37 & 39)	408										
3rd Floor (No. 39)	158										
Total	566										

Notes:

- (1) The opinion given by Ben & Partners the Malaysian legal advisers to the Company contains, *inter alias*, the following information:
 - a. The registered proprietor of the land is HWGB.
 - b. The tenancy agreement is valid and enforceable under the applicable Malaysian laws and is binding on the contracting parties.
- (2) As advised by the Company, HWGB is a Controlling Shareholder.