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China Cinda Asset Management Co., Ltd.

中國信達資產管理股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01359)

ANNOUNCEMENT CALCULATED VALUE OF UNLISTED DES ASSETS

Reference is made to the prospectus (the “**Prospectus**”) of China Cinda Asset Management Co., Ltd. (the “**Company**”) dated November 28, 2013. Unless otherwise stated, terms defined in the Prospectus shall have the same meaning in this announcement.

As disclosed in the Prospectus, the Company will use its reasonable efforts to make meaningful disclosure of the calculated results of the available-for-sale unlisted equity investments on an annual basis. This announcement sets out the text of a letter prepared by American Appraisal China Limited, an independent valuation specialist, in connection with the calculated value as of December 31, 2013 of our top 20 Unlisted Debt-to-equity Swap(s) Assets ranked by book value at June 30, 2013 (the “**Unlisted DES Assets**”) as set out in the Calculated Value Report in the Appendix III to the Prospectus. The mid-point of the range of aggregate calculated values of equity interests of the Unlisted DES Assets attributable to the Company as of December 31, 2013 is RMB55.9 billion. For details, please refer to the letter enclosed herein.

The calculated value presented in this announcement is not fair value appraised in accordance with IFRS. Therefore, undue reliance shall not be placed on such calculated value.

By order of the Board
China Cinda Asset Management Co., Ltd.
HOU Jianhang
Chairman

Beijing, the PRC
June 24, 2014

As at the date of this announcement, the Board of the Company consists of Mr. HOU Jianhang, Mr. ZANG Jingfan and Mr. XU Zhichao as executive Directors, Ms. WANG Shurong, Mr. YIN Boqin, Ms. XIAO Yuping, Ms. YUAN Hong and Mr. LU Shengliang as non-executive Directors, and Mr. LI Xikui, Mr. QIU Dong, Mr. CHANG Tso Tung, Stephen and Mr. XU Dingbo as independent non-executive Directors.



Report

Calculated Value of Non-Controlling Equity Interests In
20 Investment Portfolio Companies
As of December 31, 2013
(Reference No. GS13/0512)

Prepared for: China Cinda Asset Management Co., Ltd.

The following is the text of a letter from American Appraisal China Limited, an independent valuation specialist, in connection with the calculated value of December 31, 2013 of the Company's 20 Unlisted debt-to-equity swap ("DES") ranked by book value at June 30, 2013 for the purpose of inclusion in the announcement of the Company only.

To the best of our knowledge, we have no reason to believe that the information presented in this section is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been verified by the Company, any of our respective directors, officers or representatives and no presentation is given as to its accuracy.

The calculated value presented in this section is not fair value appraised in accordance with IFRS. Since such value is not fair value appraised in accordance with IFRS, any third party should not unduly rely on such calculated value.

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Leading / Thinking / Performing

June 24, 2014

China Cinda Asset Management Co., Ltd.
Block 1, No.9 Nao Shi Kou Da Jie
Xicheng District, Beijing, the PRC

Our Ref.: GS13/0512

Dear Sirs,

CALCULATION OF ATTRIBUTABLE EQUITY INTERESTS IN 20 INVESTMENT PORTFOLIO COMPANIES

Pursuant to the terms and conditions, and for the purpose of the engagement agreement dated May 29, 2014 ("Engagement Agreement") between China Cinda Asset Management Co., Ltd. ("Company") and American Appraisal China Limited ("American Appraisal"), we have performed certain calculation procedures (the "Calculation") to derive the values of the non-controlling equity interests in 20 investment portfolio companies (the "Investment Portfolio Companies") as of December 31, 2013 ("Measurement Date"). This calculation engagement was conducted in accordance with the Statement on Standards for Valuation Services No. 1 ("SSVS No.1") issued by the American Institute of Certified Public Accountants ("AICPA").

The Calculation is prepared based on the agreed upon procedures, approaches and methods as stated in the section headed “SCOPE OF WORK AND KEY ASSUMPTIONS” in this letter. A calculation engagement does not include all of the procedures required in a valuation engagement. Given the non-controlling nature of the Company's interests in its unlisted available for sale equity investee entities without involvement in such entities' management and operation, it is currently not practical to obtain forecasts of such entities and their consents to disclose the forecast for the application of income approach. Under these circumstances, the Company and we agree to use market approach to calculate the value of the unlisted available for sale equity investee. Therefore, the calculation engagement does not include income approach related procedures, including review of financial forecast and prospective information, unlimited access to the management and information of Investment Portfolio Companies, and determination of discount rate for discounted cash flow analysis, that would be required in valuation engagement. Had a valuation engagement been performed, the results might have been different. The calculated values of the equity interests in the Investment Portfolio Companies are subject to numerous assumptions. To the extent that any of these assumptions or facts change, the result of our calculated value may be different.

The Company may, with our consent, disclose this letter to The Stock Exchange of Hong Kong Limited (“Stock Exchange”) in accordance with the requirements of the Rules Governing the Listing of Securities on Stock Exchange (“Listing Rules”).

This letter identifies the equity investments calculated, describes the scope of work, states the basis of calculated value, specifies key inputs and assumptions, explains the calculation engagement methodology utilized, and presents our result of the calculated value. The depth of discussion contained in this letter is specific to the needs of the Company and for the intended use as stated below. Supporting documentation concerning these matters has been retained in our work papers and by the Company. No third party shall entitle to rely upon on this letter and neither receipt nor possession of this letter by any third party shall create any express or implied third-party beneficiary rights.

PURPOSE OF CALCULATION

With the Company's instructions and approval and as stipulated by the Engagement Agreement, in the absence of the prospective information of the Investment Portfolio Companies, latest independent technical assessment of the mineral reserve and resources ("Technical Report") and other critical information, we have relied upon accuracy of operational and financial information provided by the Company and Investment Portfolio Companies in calculating values of the non-controlling equity interests in the Investment Portfolio Companies attributable to the Company.

The intended use of the Calculation is to assist the Company with regard voluntary disclosure obligations. The results of our calculation should not be construed to be a fairness opinion, or an investment recommendation. It is inappropriate to use our report for purpose other than its intended use or by third parties. Third parties should conduct their own investigation and independent assessment of the financial projections and underlying assumptions.

STANDARD AND DEFINITION OF CALCULATED VALUE

The result of the calculation is presented as the calculated value, defined under SSVS No.1 issued by AICPA as “an estimate as to the value of a business, business ownership, security, or intangible assets, arrived at by applying calculation engagement procedures agreed upon with the client and using professional judgment as to the value or range of values based on those procedures”.

The Calculation of equity values of the Investment Portfolio Companies was performed by using the information provided by the management of the Company and Investment Portfolio Companies (“Management”) and publicly available market data, and other reasonable assumptions in line with general practices of the investment community. American Appraisal has not been asked to and will not provide any opinion, analysis or consideration of the relative reasonableness, accuracy or appropriateness of the operational and financial information provided by the Management. We have not performed an audit, review or compilation of financial statements in the capacity of certified public accountants. Our work cannot be relied upon to discover errors, irregularities, or illegal acts.

The Management have reviewed these relevant information used by us in the Calculation and have represented to us that, to their best knowledge and belief, the information does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Calculated values of business enterprises of the Investment Portfolio Companies represent the combination of all tangible assets (buildings, machinery and equipment), long-term investment, net working capital and intangible assets of a continuing business. Alternatively, the business enterprise is equivalent to the invested capital of the business, that is, the combination of the value of shareholders’ equity, shareholders’ loans, interest-bearing debt and minority interests. Value of equity interest is calculated as business enterprise value less net interest-bearing debt less minority interests.

DESCRIPTION OF SUBJECT EQUITY INVESTMENTS

American Appraisal was instructed to perform the Calculation of the Investment Portfolio Companies which represented the top 20 investments of the Company through debt-to-equity-swaps as of December 31, 2013. The Investment Portfolio Companies covered in this Calculation, percentage of their equity interest held by the Company as of the Measurement Date and their principal business activities are summarized in the table below:

No.	Name of Investment Portfolio Company	% equity interest held by the Company as of the Measurement Date	Principal business activities
1	Shenhua Group Zhungeer Energy Co., Ltd.	42.24%	Coal production and power generation
2	Datong Coal Mine Group Co., Ltd.	30.12%	Coal production and power generation
3	Huainan Mining Industry (Group) Co., Ltd.	24.84%	Coal production and power generation
4	Xishan Coal Electricity Group Co.,Ltd.	35.47%	Coal production and power generation
5	Yangquan Coal Industry (Group) Co., Ltd.	40.42%	Coal production and power generation
6	Wengfu (Group) Co., Ltd.	47.16%	Sale and production of phosphate compound and fertilizer
7	Shanxi Jincheng Anthracite Mining Group Co., Ltd.	16.45%	Coal production and power generation
8	Tie Fa Coal Group Co.Ltd.	30.46%	Coal production and power generation
9	Huozhou Coal Electricity Group Co., Ltd.	36.97%	Coal production and power generation
10	Shanxi Fenxi Mining Industry Group Co.,Ltd.	36.02%	Coal production and power generation
11	China National Materials Co., Ltd.	8.96%	Provision of cement equipment and engineering services, production and sales of cement
12	Shandong Zhongxing Energy Co., Ltd.	20.74%	Coal production and power generation
13	Ningxia Ningdong Railway Company Limited	25.90%	Construction and management of railway
14	Baiyin Nonferrous Metal Group Co., Ltd.	5.97%	Sale and production of non ferrous metal
15	Ningxia Lingxin Coal Industry Co., Ltd.	52.46%	Coal production and power generation
16	Tianjin Pipe (Group) Corporation	6.11%	Sale and production of steel pipe
17	Shanghai Coking & Chemical Corporation	26.58%	Sale and production of coking chemical
18	China Nuclear Engineering Corporation Limited	14.85%	Engineering and construction of nuclear power plants
19	Guizhou Shuicheng Coal Mining Co.,Ltd.	20.23%	Coal production and power generation
20.	Huaibei Mining Co., Ltd.	6.79%	Coal production and power generation

ECONOMIC OUTLOOK

A sound appraisal of a business or business interest must consider current and prospective national economic conditions. The major variables reviewed in order to evaluate the overall state of the national economy include the current level of and changes in the gross domestic product (GDP), exchange rate, and inflation rate. An overview of the national economy of China was essential to develop this outlook. The following economic discussion was extracted from Economic Intelligence Unit ("EIU") "Country View Update" January 2014.

Economic Growth

The Economist Intelligence Unit estimates that economic expansion averaged 7.7% in 2013 as a whole. As the government's campaign against extravagant public spending moderates, growth in consumption (both public and private) should accelerate in 2014. China's export will also perform steadily as external demand increases, especially in the US and the EU. However, the investment growth will continue to slow down as a result of the tightened credit conditions in 2014.

Inflation

The Economist Intelligence Unit estimates that consumer price inflation remained subdued in 2013, at 2.6% on average. Annual inflation is forecast to average 3.8% from 2014 to 2018. An expected decline in global oil costs will help to rein in price increases over the forecast period. However, strong domestic demand growth and weaker expansion in the supply of products (as investment slows) will generate significant inflationary pressures. The threat of a bad harvest pushing food prices sharply higher will remain a concern for policymakers. Producer prices declined by an estimated 1.9% on average in 2013. However, they will be subject to upward forces in 2014 to 2018, partly as a result of policy-driven rises in utility costs. The Economist Intelligence Unit expects producer prices to increase by 3% a year on average during the forecast period, with soaring wages putting upward pressure on costs. Uncertainty could cause asset price volatility in the next five years. Should asset holders become concerned about economic stability, particularly in the banking sector funds could flow rapidly between different asset classes, or even out of China, with dramatic effects on prices.

Exchange Rates

The Economist Intelligence Unit believes that the Renminbi will strengthen against the

US dollar from 2014 to 2017, by a modest annual average of 0.9%, owing to forecast higher productivity growth in China than in the US. The fact that the pace of appreciation will be subdued will partly reflect the strength of the US currency in the period; the value of the Renminbi will rise more swiftly against the euro and the yen.

INDUSTRY OVERVIEW

China Coal Production and Power Generation Industry

The following industry discussion was extracted from the 2014 Coal Industry Research Report, published by CITIC Securities dated February 2014.

According to statistics published by the China Coal Transportation & Sale Society, China's crude coal output totalled 2,766 million tonnes for January - September 2013, down 1.4% year-on-year (YoY). In particular, the largest YoY decline of monthly coal output was recorded in Jun and the YoY decline of monthly coal output gradually narrowed after. In September, total coal output was 315 million tonnes, which was basically flat YoY.

According to statistics published by the National Energy Administration, power generated by coal-fired power plants amounted to 311.6 billion kWh for the first three quarters in 2013, up 6.5% YoY. The largest monthly YoY growth was recorded in August thanks to the mild economic recovery, seasonal factors and the low base of the previous year. During the first three quarters of 2013, total iron output was 540 million tonnes in China (+6.9% YoY); total crude steel output was 587 million tonnes (+8% YoY); total steel material output was 795 million tonnes (+11.7% YoY). For Jan - Sep 2013, total cement output was 1,746 million tonnes (+8.92% YoY).

Overall, demand showed two main characteristics: (1) given the stabilizing economy in 2H2013, YoY coal consumption growth gradually rebounded with high growth at the beginning of 2H and low growth toward the end of year. (2) Based on statistics of the first three quarters, 2013 full-year downstream demand might be slightly higher than the market forecast made at the beginning of the year.

Average price of the Qinhuangdao Port 5800k steam coal was Rmb631/tonne for the first 10 months in 2013, down 18.97% YoY; 10-month average price of 5500k steam coal was Rmb588/tonne, down 17.95% YoY; 10-month average price of 4500k steam coal was Rmb419/tonne, down 19.59% YoY. The impact of large enterprises' pricing behaviour on port steam coal price movement in 2H2013 was substantial.

Average price of the Shanxi Taiyuan Gujiao 8# coking coal was Rmb1,129/tonne for January-October 2013, down 13.84% YoY; 10-month average price of Gujiao 2# coking coal was Rmb1,207/tonne, down 17.1% YoY.

Average price of the Shanxi Jincheng smokeless coal (medium block, 6800k) was Rmb1,005/tonne for the first 10 months in 2013, down 14.89% YoY; 10-month average price of smokeless coal (small block, 6500k) was Rmb956/tonne, down 13.33% YoY; 10-month average price of smokeless slack (6000k) was Rmb587/tonne, down 21.49% YoY.

The accommodative supply in 2012 had basically extended into 2013. Coal price was returning to the new equilibrium. The main factors causing coal price fluctuations were seasonality and changes in inventory level.

China Phosphate Compound and Fertilizer Industry

The industry discussion below was extracted from “Fertilizer in China”, published by MARKET LINE (“Market Line”) in June 2013.

The Chinese fertilizer market has been growing at a strong but decelerating rate in both value and volume terms. A moderate increase in value is expected to go forward while volume growth should remain at a low rate.

The Chinese fertilizer market had a total revenue of \$95.3bn in 2012, representing a compound annual growth rate (CAGR) of 9.5% between 2008 and 2012. In comparison, the Japanese and Indian markets declined with compound annual rates of change (CARCs) of -7.8% and -3.0% respectively, over the same period, to reach respective total values of \$2.3bn and \$10.4bn in 2012.

Fertilizers are highly volatile commodities. Volume and price of consumption can be affected by many factors, including weather conditions, accessibility, politics and regulations. High price volatility has been a key feature since 2007 and it is expected to continue in the medium term.

Market consumption volume increased with a CAGR of 5.2% between 2008 and 2012, and reached a total of 61.5 million tons in 2012. The market's volume is expected to rise to 66.2 million tons by the end of 2017, representing a CAGR of 1.5% for the 2012-2017 period.

Volume of fertilizer consumption was relatively flat globally through 2012, which impacted sales activity and caused prices to fall under pressure. The slowdown has been attributed to uncertain economic conditions, exchange rate fluctuations and unfavorable weather that has affected the rate of planting crops.

The nitrogen (N) segment was the market's most lucrative in 2012, with total revenues of \$51.3bn, equivalent to 53.8% of the market's overall value. The phosphate (P₂O₅) segment contributed revenues of \$33.2bn in 2012, equating to 34.8% of the market's aggregate value.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 5.5% for the five-year period 2012 - 2017, which is expected to drive the market to a value of \$124.5bn by the end of 2017. Comparatively, the Japanese market will decline with a CARC of -0.5%, and the Indian market will increase with a CAGR of 7.2%, over the same period, to reach respective values of \$2.3bn and \$14.7bn in 2017.

The medium-term agricultural outlook is for stimulated fertilizer demand but high volatility could result in significant year-on-year variations. Contrary to historical trends, Asia's importance in regard to global economic growth is declining. Demand is anticipated to rise firmly in regions where its agriculture is recovering, such as Central Asia and Oceania.

China Construction Material Industry

The following industry discussion was extracted from Analysis of the Cement Industry in China 2013 posted on www.askci.com.

In 2013, China's economy marched on with a rather strong development momentum. National fixed asset investment saw stable growth of 20% with particularly eye-catching performance of infrastructure investments and real estate investments, in turn allowing full-year total cement output to grow at a higher-than-expected pace. 2013 full-year total cement output amounted to 2.42 billion tonnes, representing growth of 9.5% and it far surpassed the previous year's growth of 5.7%.

Profit growth of the industry was also encouraging. In 2013, industry-wide profit amounted to Rmb76.6 billion, up approximately 16.4% YoY and the growth rate was far higher than that for the previous year. 2013 saw the second highest growth in history and the absolute amount of profit was only second to that for 2011. However, regional divergence in terms of profit of the cement industry was significant with high profit in the south and low profit in the north.

In 2013, completed investments in the cement industry in China amounted to Rmb132.9 billion. This is the third consecutive year where cement investments declined after the slump in 2011, indicating a gradual decrease in number of new production line projects across the industry. According to statistics published by the China Cement Association, there were 72 newly operational cement clinker production lines in 2013. Incremental designed capacity for cement clinker production was 94.3 million tonnes, marking the lowest incremental capacity over the past three years. Preliminary estimates show that total incremental designed capacity for cement clinker production shall be up to 94.3 million tonnes in 2013, representing growth of around 6%. This is the first instance in recent years where incremental cement production capacity growth is lower than cement output growth. This means the supply and demand of the cement industry was improving from 2012 to 2013 but excess capacity was still the major problem inhibiting the development of the cement industry.

According to statistics published by the National Bureau of Statistics, total revenue registered by the cement industry in China amounted to Rmb969.6 billion in 2013, up 8.6% YoY. The revenue growth was basically in-line with output growth. While coal price allowed cost to decrease significantly, the industry's profitability was bolstered in 2013.

China Road and Railway Industry

The following industry discussion was extracted from information posted on www.sxcoal.com and information made available by China Railway Corporation (CNR) and Daqin Railway.

In 2013, according to the central government's reform plan for railway administration, the railway industry implemented the scheme to separate its administration from operation, and advanced the reform of passenger and freight transportation organization. Accordingly, the industry could better adapt to socio-economic development needs and changes in the transportation market while the pace of deregulation could be quickened. As a series of major railway projects including the Jinqin railway and the Xibao railway saw construction completion and became operational, the "four vertical and four horizontal" railway line layout was materialized and the high-speed railway network was basically formed. The completion rate of separation between passenger lines and freight lines as well as electrification of existing railways continued to rise while the overall railway transportation capacity was improved further. Thanks to the stable growth of the economy, railway transportation had been seeing strong demand, especially from commodities including coal, petroleum, steel and ores in which railway was the main form of transportation. Based on the Bulletin of China Railways Statistics 2013 published by the Ministry of Railway, it was estimated that over 60% of coal produced in China was dispatched via railway in 2013. In 2013, total freight volume dispatched via railway in China amounted to 3.96 billion tonnes, up 1.7% YoY of which total coal dispatched via railway amounted to 2.32 billion tonnes, up 2.7% YoY.

At present, there are seven major coal producing provinces in China including Shanxi, Shaanxi, Guizhou and Henan. Shanxi, Shaanxi and west Inner Mongolia boast largest reserves. The Xinjiang, Ningxia, Qinghai and Gansu provinces also have rich coal endowments. As exploration efforts were stepped up in recent years, these four provinces have also become China's major coal producing regions. The westward shift of coal production and exploration has accelerated. Average railway transport distance has increased from 579km in 2005 to 655km in 2012. In 2012, the total coal output capacity of Shanxi, Shaanxi and west Inner Mongolia amounted to 1 billion tonnes, up 400 million tonnes compared to 2005.

In February this year, CNR published the Notice Regarding Adjustment of Railway

Freight Rate and the adjusted railway freight rates were effective starting from February 15. Before railway freight rate was determined by the government before and is now guided by the government. Freight rate for routes with uniform rate was raised from the previous Rmb0.1301/tonne-km to Rmb0.1451/tonne-km, up 11.53%. Based on statistics, the price revision in 2014 was the ninth over the past 10 years and the latest price is the highest in 10 years. Daqin Railway, Guangshen Railway and Tielong Container Logistics all charmed in and adjusted their freight rates. Now that freight rates are guided by the government instead of being determined by the government, average freight rate is raised by Rmb0.015 per tonne-km. Daqin Railway, the major channel to transport coal from west China to east China, raised its Base Freight Rate 1 for coal from Rmb13.8/tonne to Rmb15.50/tonne and its Base Freight Rate 2 from Rmb0.0753/tonne-km to Rmb0.089/tonne-km.

China Non Ferrous Metal Industry

The following industry discussion was extracted from the offering circular of Baiyin Nonferrous Metals Company and the 2013 annual report of Jiangxi Copper Corporation.

Mineral reserve ownership of Baiyin Nonferrous Metals consists of copper (433,400 tonnes); lead (1,279,300 tonnes); zinc (5,908,000 tonnes); gold (16,304.08 kg); silver (1,667.19 tonnes) and Molybdenum (28,600 tonnes). Baiyin Nonferrous Metals is mainly engaged in the mining, dressing, smelting, processing and trading of non-ferrous metals with mining and trading of copper products acting as the company's main source of income.

In 2013, the global copper market experienced oversupply after the previous shortage. Although the economic recovery in Europe and the US as well as China's increased grid investments were favourable to copper price, the fundamental change in copper supply and demand dynamics was a direct blow to copper price. In 2013, average LME 3-month copper price plunged from US\$7,960/tonne to US\$7,310/tonne, representing a decline of 8.17%. The copper industry is expected to bear the following characteristics in 2014:

1. Relatively accommodative supply in the upstream: as newly constructed mines around the world gradually step into the output growth stage and renovated old mines become operational, copper ore supply shall peak.
2. Increase in smelting and processing charges in the midstream: given accommodative copper ore supply, copper smelting and processing charges have already risen to an eight-year high as of late. Abundant copper ore supply and significantly rebounded processing charges are both encouraging for enterprises and such shall drive a substantial increase in global refined copper output. At the same time, it shall exacerbate the competition within the copper smelting industry in China.
3. Demand growth to slow down in the downstream. At present, China, western Europe and the US are the top three copper consumers around the world. Although the economy in Europe and the US continue to recover, the major copper consuming sector in the European countries and the US is real estate, overall only boosts copper demand to a small extent. Moreover, the current Chinese government's tolerance for economic growth may continue to fall and the terminal industries shall only bring about limited incremental copper demand. Therefore, global copper consumption growth is expected to slow down in 2014.

In 2014, copper price shall face pressure from both macroeconomic developments and fundamentals. However, the increase in copper ore cost should constitute certain support to copper price.

China Steel Pipe Industry

The following industry discussion was extracted from the China Steel Pipe Market Forecast and Analysis 2014 on www.csteelnews.com.

In 2013, China's steel pipe output amounted to 79.79 million tonnes, up 7.67% YoY. In particular, seamless steel pipe output amounted to 29.628 million tonnes, up 7.6% YoY and welded pipe output amounted to 50.162 million tonnes, up 7.7% YoY. In terms of export, 9 million tonnes of steel pipes were exported in 2013, up 1.61% YoY. In particular, seamless steel pipe export amounted to 5.12 million tonnes, down 1.61% YoY and welded pipe export amounted to 3.89 million tonnes, up 5.16% YoY.

Steel pipe consumption in China is estimated to be 82 million tonnes in 2014, representing YoY growth of 3% of which seamless steel pipes will account for 32 million tonnes and welded pipes 50 million tonnes; steel pipe export is estimated to be 9.5 million tonnes, representing YoY growth of 5% of which seamless steel pipes will account for 5.2 million tonnes and welded pipes 4.3 million tonnes. Real estate, machinery, oil & gas and foreign trade are the main steel pipe markets. Together these sectors account for over 50% of total steel pipe consumption in China.

Modern urbanization shall drive the development of urban gas pipeline network and refined oil (gasoline and diesel) pipeline network. On the one hand, China shall continue to advance the construction of urban gas pipeline network and refined oil pipeline network. By 2015, China's urban gas pipeline network shall total 430,000 - 450,000km in length. By the end of the 12th five-year plan, China's urban gas pipeline network shall total 600,000km in length. The refined oil pipeline network shall guarantee refined oil supply in urban areas and raise the standard of the refined oil industry.

Total land pipe usage consisting of gas pipelines, crude oil pipelines, long-haul refined oil pipelines, unconventional gas pipelines, urban gas pipeline network and refined oil pipeline network is estimated to be 6.5 million tonnes in 2014. Oil well pipe use is estimated to be 4 million tonnes (of which seamless pipes will account for 3.2 million tonnes and welded pipes 0.8 million tonnes). Accordingly, total pipes used by the petroleum sector will be 10.50 million tonnes, which is basically flat compared to the amount used in 2013.

China Chemicals Industry

The industry discussion below was extracted from “Chemicals in China” by Market Line in February 2014.

After experiencing exceptional growth through the 2008-2012 period, the Chinese chemicals market is forecast to continue its strong growth, albeit at a decelerated rate, during 2012-2017.

The Chinese chemicals market had total revenues of \$966 billion in 2012, representing a compound annual growth rate (CAGR) of 15.8% between 2008 and 2012. In comparison, the Japanese and Indian markets grew with CAGRs of 5.8% and 9.3% respectively, over the same period, to reach respective values of \$254.7 billion and \$98.8 billion in 2012.

The commodity chemicals segment was the market's most lucrative in 2012, with total revenues of \$617.6 billion, equivalent to 63.9% of the market's overall value. The agricultural chemicals segment contributed revenues of \$92.3 billion in 2012, equating to 9.6% of the market's aggregate value.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 10.8% for the five-year period 2012 - 2017, which is expected to drive the market to a value of \$1,613.2 billion by the end of 2017. Comparatively, the Japanese markets will decline with a compound annual rate of change (CARC) of 4.5%, and the Indian market will increase with a CAGR of 8.1%, over the same period, to reach respective values of \$318.2 billion and \$145.7 billion in 2017.

China Nuclear Power Industry

According to the Nuclear Power Development in China 2013 published by the China Nuclear Energy Association, total amount of nuclear power generated in China was 110.71 billion kWh in 2013, up 12.62% YoY and accounted for 2.11% of total amount of power generated in China. As of December 2013, there were 18 nuclear power generation sets in operation in China, representing installed capacity of 14.962 GW. There were also 29 nuclear power generation sets under construction, representing installed capacity of 31.61 GW. The capacity of China's nuclear power generation sets under construction is the largest globally and accounts for 42.21% of the combined capacity of all nuclear power construction generation sets around the world.

On January 1, 2013, the State Council published the Twelfth Five-year Plan for Energy Development to require nuclear power safety administration to be strengthened comprehensively and nuclear incident handling capability to be raised. In terms of nuclear facility construction, the "three-step" technological route of thermal reactor, fast reactor and fusion reactor was taken. Focus was put on GW-level advanced pressurized water reactors. New technologies including high-temperature gas-cooled reactor, commercial fast reactors and small-scale reactors were also actively developed.

As of December 2013, China's total installed nuclear power generation capacity (completed and under construction) amounted to 46.57GW. By the end of 2015, according to the Twelfth Five-year Plan for Energy Development, by the end of 2015, there should be total installed nuclear power capacity (completed and under construction) of 58GW in China; by the end of 2020, there should be total installed nuclear power capacity (completed and under construction) of 88GW in China.

SCOPE OF WORK AND KEY ASSUMPTIONS

We have limited access to the management of the Investment Portfolio Companies given the non-controlling ownership of the Company in the Investment Portfolio Companies and were unable to obtain prospective financial information of Investment Portfolio Companies or recent technical reports. In the Calculation of the equity values of the Investment Portfolio Companies, we used publicly available information, and relied on financial and operational information internally prepared by those Investment Portfolio Companies and provided to us through the Company.

Our investigation based upon the agreed procedures in preparing the Calculation included discussions with the Management with regard to the history, operations, current status and outlook of the Investment Portfolio Companies, an overview of certain financial data, an analysis of the industry and competitive environment, an analysis of comparable companies/transactions, and a review of prior sales transactions, operating statistics and other relevant documents. We made reference to or reviewed the following major documents and data:

- financial statements prepared under China Accounting Standards for the fiscal years ended December 31, 2010, December 31, 2011, December 31, 2012 and December 31, 2013;
- onshore bond offering disclosure documents, quarterly financial statements to the public and credit analysis of those Investment Portfolio Companies who have issued onshore domestic bonds;
- historical financial information and the breakdown of major revenue/cost of sales/operating expenses of major business units prepared by the Management;
- annual reports of public listed subsidiaries or parent companies of the Investment Portfolio Companies;
- extractive reserve and quantity of mines owned by the Investment Portfolio Companies;
- production volume data prepared by the management of the Investment Portfolio Companies;
- copies of mining licenses of Investment Portfolio Companies in coal production and electricity generation sectors; and
- annual reports of public listed companies comparable with the Investment

Portfolio Companies.

We assumed that the data we obtained in the course of the calculation engagement, along with the opinions and representations provided to us by the Company are true and accurate and accepted them without independent verification except as expressly described herein. Based upon publicly available information and our limited research sourced from what we believe to be reliable sources, we have no reason to suspect that any material facts have been omitted, nor are we aware of any facts or circumstances, which would render the information, opinions and representations provided or made to us to be untrue, inaccurate or misleading. In arriving at our resulting calculated values, we have considered the following principal factors:

- the stage of development of the Investment Portfolio Companies;
- the historical costs and current financial conditions of the Investment Portfolio Companies;
- the economic outlook for China and specific competitive environments affecting the industries in which the Investment Portfolio Companies operate;
- the legal and regulatory issues of the industries in which the Investment Portfolio Companies operate and other specific legal opinions relevant to the Investment Portfolio Companies;
- the transaction prices of comparable companies;
- the risks of the Investment Portfolio Companies; and
- the experience of the management team of the Investment Portfolio Companies.

Due to the changing environments in which the Investment Portfolio Companies are operating, a number of assumptions have to be made in arriving at our calculated value. The key assumptions adopted in this calculation engagement are:

- no major changes are expected in the political, legal and economic conditions in China;

- the regulatory environment and market conditions for industries in which the Investment Portfolio Companies operate will develop according to prevailing market expectations;
- there will be no major changes in the current taxation law in China;
- the Investment Portfolio Companies will not be constrained by the availability of financing;
- the future movement of exchange rates and interest rates will not differ materially from prevailing market expectations; and
- the Investment Portfolio Companies will retain competent management, key personnel and technical staff to support their ongoing operations.

METHODOLOGY OVERVIEW

In the calculation of equity value, or the net assets, of a business, there are three basic approaches, namely: cost approach, income approach and market approach.

Cost approach establishes value based on the cost of reproducing or replacing the property less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable. This approach might be considered the most consistently reliable indication of value for assets without a known secondary market or separately identifiable cash flows attributable to assets appraised.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the property than an amount equal to the present worth of anticipated future benefits (income) from the same or equivalent property with similar risk.

Market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be appraised by this approach.

The cost approach is not considered applicable in this calculation engagement as it does not capture the future earning potential of a business. Because we have limited access to the management of the Investment Portfolio Companies given the non controlling ownership of the Company in the unlisted Investment Portfolio Companies and we were unable to obtain prospective financial information and latest reserve reports, we did not utilize the income approach in the Calculation. In this engagement, we employed the market approach as the primary method and, if feasible, prior recent transaction prices of the subject equity investments to derive the calculated values.

CALCULATION OF EQUITY VALUE OF 20 INVESTMENT PORTFOLIO COMPANIES BY MARKET APPROACH

Market approach: Guideline Company Method

One methodology employed in the market approach is the Guideline Company Method (“GCM”), where financial and operational ratios of comparable companies are analyzed to determine a value for the subject property. This method also employs market price data of stocks of corporations engaged in the same or a similar line of business as that of the subject property. Stocks of these corporations are actively traded in a public, free, and open market, either on an exchange or over-the-counter.

To describe the selected comparable companies, ranges of price multiples, major parameters used in the calculation and ranges of calculated values, we grouped the Investment Portfolio Companies into two groups based on their principal business activities as follows: (1) 13 entities in the coal production for trade and power generation (“13 Coal Companies”); and (2) 7 entities in other industries (“7 Non-Coal Companies”).

For disclosure of the selected price multiples, we divided the 7 Non-Coal Companies into the three sub-group by broad industries of (i) chemical; (ii) construction material; and (iii) infrastructure, which are subject to similar macro-economic factors and market forces, e.g. non-coal material downstream processing technology requirement, construction industry cycle and government public spending.

Coal Production for Trade and Power Generation

We have identified and selected the comparable companies in the coal production for trade and power generation based on the following criteria:

- Principal business activities of the selected comparable companies should be coal mining for trade and/or for power generation;
- Principal place of operation or market of the selected comparable companies should be in China;
- Size of net asset values of the selected comparable should be comparable to those of the Investment Portfolio Companies.

The selected comparable companies are described below:

Comparable companies	Bloomberg code	Market capitalization as of December 31, 2013 or trading day closest	
China Shenhua Energy Co., Ltd	1088 HK	RMB Mn	325,750
China Coal Energy Co., Ltd	1898 HK	RMB Mn	57,618
Yanzhou Coal Mining Co., Ltd.	1171 HK	RMB Mn	37,100
Shanxi Lu'An Environmental Energy Development Co., Ltd.	601699 CH	RMB Mn	24,552
Shanxi Xishan Coal and Electricity Power Co., Ltd.	000983 CH	RMB Mn	22,373
Yangquan Coal Industry (Group) Co., Ltd	600348 CH	RMB Mn	16,979
Jizhong Energy Resources Co., Ltd.	000937 CH	RMB Mn	17,161
Guizhou Panjiang Refined Coal Co., Ltd.	600395 CH	RMB Mn	12,015
DaTong Coal Industry Co., Ltd.	601001 CH	RMB Mn	9,673
Huolinhe Opencut Coal Industry Corp Ltd.	002128 CH	RMB Mn	10,640
Shougang Fushan Resources Group Limited	639 HK	HKD Mn	14,421
Mongolian Mining Corporation	975 HK	USD Mn	492
Hidili Industrial International Development Ltd.	1393 HK	RMB Mn	1,884
Inner Mongolian Yitai Coal Co., Ltd.	3948 HK	RMB Mn	34,708

As presented in below table, we calculated enterprise value (“EV”) to earnings before interest, tax, depreciation and amortization (“EBITDA”), EV/Invested Capital and EV/Production Volume multiples of the above 14 comparable companies in the coal production for trade and power generation. In general extractive industry practices, EV/Reserves is also common value indicator especially for the early stage mines. As only 10 of those comparable companies disclose its latest mineral properties and the disclosed reserves data were prepared under different reporting standards, we used EV/ EBITDA , EV/ Invested Capital and EV/ Production Volume as primary method in the Calculation and considered EV/Reserves multiple for reasonableness check.

The EV of the comparable companies as numerator of the price multiples were calculated based on the sum of market capitalization as of the Measurement Date and book value of net debt and minority interest as of the latest available interim closing. The denominators of EBITDA and production volume multiples are based on the annual total for the latest 2013 financial year. The denominators of invested capital multiples are based closing balance as of December 31, 2013 in order to match with the balance of the net debt and minority interest of the Investment Portfolio Companies which would deduce the resulting enterprise value to devise the calculated equity value.

We selected appropriate price multiples based on specific criteria to deduce the range of EV for each subject company. The sum of the mid-point of the EV value of each subject company represents the conclusion of the calculated value of EV of the 13 Coal Companies. In the selection of appropriate price multiples, we ranked the comparable companies by the specific criteria of (i) historical 3-year average return on total assets; and (ii) EBITDA contribution per unit raw coal production (“Performance Measures”) which are correlated with the corresponding price multiples as indicated by regression analysis.

We applied different price multiples appropriate to determine the EV for each of the 13 Coal Companies based on the corresponding group with similar level on the Performance Measures as follows:

Price Multiples	Guideline companies in the coal production for trade and power generation industry				Ranges of selected multiples for 13 Coal Companies (and the implied weighted average multiple for the entire portfolio)
	Max	Min	Median	Average	
EV/ 2013 EBITDA	24.43	5.05	7.31	9.89	7.21–14.61 (weighted average at 10.30)
EV/ December 31, 2013 Invested Capital	1.55	0.63	1.16	1.12	0.91–1.31 (weighted average at 0.94)
EV/ 2013 Production Volume	5,653	263	988	1,585	757.62–1,718.63 (weighted average at 1,084.19)

According to the instruction of the Company, the calculated value of each of the 13 Coal Companies is not disclosed in this report. Based on the above analytical procedures, the aggregate calculated value of EV for the 13 Coal Companies is concluded at RMB 605,600 million based on the aggregate mid-point of EV of each subject company.

In addition, we applied the three weighted average price multiples to the aggregate financial performance and operating performance for full year 2013 and closing balance as of December 31, 2013 of 13 Coal Companies as the entire portfolio for reasonableness check as below:

	(a) Aggregate amount of 13 Coal Companies	(b) Implied weighted average multiples	Product of (a) financial and operating data (b) implied weighted average multiples (In RMB million)
2013 Annual EBITDA	RMB 60,899 million	10.30	627,284
Invested Capital as of December 31, 2013	RMB 632,285 million	0.9418	595,467
2013 Annual Production Volume	550.69 million tons	RMB 1,084.19 /ton	597,046

The concluded calculated enterprise values for 13 Coal Companies at RMB 605.6 billion can be reconciled with the above EV so indicated by the three blended price multiples and suggests the EV / Reserves of RMB 17.3/ton based 35.0 billion tons of extractive coal reserves provided by the Management and falls within the long term industry range as observed.

For 13 Coal Companies, the aggregate of the calculated equity value attributable to the Company is concluded as below:

Aggregate of the mid-point calculated enterprise values devised by different price multiples	RMB 605,600 million
Total book value of net debt liabilities	RMB 370,300 million
Total calculated value of minority shareholder's interest	<u>RMB 72,800 million</u>
Aggregate of calculated equity values on 100% basis	RMB 162,500 million
Aggregate of calculated equity values attributable to the Company	RMB 46,900 million

Other Industries

The 7 Non-Coal Companies are engaged in (i) sale and production of phosphate compounds and fertilizer; (ii) provision of cement equipment and engineering services, production and sales of cement; (iii) railway construction and management; (iv) sale and production of non ferrous metals; (v) sale and production of steel pipes; (vi) sale and production of coking chemicals; and (vii) engineering and construction of nuclear power plants and other infrastructure projects, respectively. We have identified and selected the comparable companies in the sub-group of other industries based on the following criteria:

- Principal business activities of the selected comparable companies should be similar to those of the Investment Portfolio Companies;
- Principal place of operation or market of the selected comparable companies should be China. For railway management and construction industry, because of lack of publicly listed China railway freight sector, we extended the criteria to publicly listed railway freight companies in other countries.

The selected comparable companies are described below:

Comparable companies	Bloomberg code	Market capitalization as of December 31, 2013 or trading day closest	
(i) Sale and production of phosphate compounds and fertilizer			
Jiangsu ChengXing Phosph-Chemicals Co., Ltd	600078 CG	RMB Mn	3,850
Hubei Xingfa Chemicals Group Co., Ltd	600141 CG	RMB Mn	5,434
Anhui Liuguo Chemical Co., Ltd	600470 CG	RMB Mn	3,390
Shandong Kingenta Ecological Engineering Co., Ltd.	002470 CH	RMB Mn	14,910
Hubei Yihua Chemical Industry Co., Ltd	000422 CS	RMB Mn	5,630
Sichuan Lutianhua Co., Ltd	000912 CS	RMB Mn	2,668
Shenzhen Batian Ecotypic Engineering Co., Ltd	002170 CS	RMB Mn	5,433
Luxi Chemical Group Co., Ltd.	000830 CH	RMB Mn	6,050
(ii) Provision of cement equipment and engineering services, production and sales of cement			
Anhui Conch Cement Co., Ltd	914 HK	RMB Mn	96,981
Asia Cement China Holdings Corp	743 HK	RMB Mn	5,942
China Shanshui Cement Group Ltd	691 HK	RMB Mn	7,322
West China Cement Ltd	2233 HK	RMB Mn	4,083
Dongwu Cement International Ltd	695 HK	RMB Mn	508
TCC International Holdings Ltd	1136 HK	HKD Mn	12,523
China Resources Cement Holdings Ltd	1313 HK	HKD Mn	34,037
China Tianrui Group Cement Co., Ltd.	1252 HK	RMB Mn	4,499
China National Building Material Co., Ltd.	3323 HK	RMB Mn	35,158
China National Material Co., Ltd.	1893 HK	RMB Mn	4,657

(iii) Railway construction and management			
Daqin Railway Co., Ltd	601006 CH	RMB Mn	109,866
China Railway Tielong Container Logistics Co., Ltd.	600125 CH	RMB Mn	7,428
Aurizon Holdings Ltd	AZJ AU	AUD Mn	10,430
Asciano Ltd	AIO AU	AUD Mn	5,618
CSX Corp	CSX US	USD Mn	29,163
Genesee & Wyoming Inc.	GWR US	USD Mn	5,137
Norfolk Southern Corp.	NSC US	USD Mn	28,676
Canadian Pacific Railway Ltd	CP US	CAD Mn	28,198
Canadian National Railway Ltd	CNR CN	CAD Mn	50,625
Union Pacific Corporation	UNP US	USD Mn	77,376
Kansas City Southern	KSU US	USD Mn	13,647
Providence and Worcester Railroad Co	PWX US	USD Mn	95
(iv) Sale and production of non ferrous metals			
Jiangxi Copper Co., Ltd.	358 HK	RMB Mn	44,581
Xinjiang Xinxin Mining Industry Co., Ltd	3833 HK	RMB Mn	2,001
MMG Ltd.	1208 HK	USD Mn	1,119
China Nonferrous Mining Corp. Ltd.	1258 HK	USD Mn	999
China Daye Non-ferrous Metals Mining Ltd	661 HK	RMB Mn	2,638
Yunnan Copper Industry Co., Ltd.	000878 CH	RMB Mn	12,337
Shengda Mining Co., Ltd.	000603 CH	RMB Mn	6,509
Tongling Nonferrous Metals Group Co., Ltd.	000630 CH	RMB Mn	14,244
Sichuan Western Resources Holding Co., Ltd.	600139 CH	RMB Mn	4,885
Western Mining Co., Ltd.	601168 CH	RMB Mn	12,844
Chengtun Mining Group Co., Ltd.	600711 CH	RMB Mn	3,600

(v) Sale and production of steel pipes			
Shandong Molong Petroleum Machinery Co., Ltd.	568 HK	RMB Mn	6,317
Zhejiang Jiuli Hi-Tech Metals Co., Ltd.	002318 CH	RMB Mn	5,585
Zhejiang Kingland Pipeline and Technologies Co., Ltd.	002443 CH	RMB Mn	3,288
Jiangsu Changbao Steel Tube Co., Ltd.	002478 CH	RMB Mn	4,081
Inner Mongolian Baotou Steel Union Co., Ltd	600010 CH	RMB Mn	34,491
Chu Kong Petroleum & Natural Gas Steel Pipe Holding Ltd.	1938 HK	RMB Mn	2,140
Shengli Oil & Gas Pipe Holdings Ltd.	1080 HK	RMB Mn	1,046
Anhui Tianda Oil Pipe Co., Ltd.	839 HK	RMB Mn	968
(vi) Sale and production of coking chemicals			
Shanxi Coking Co., Ltd	600740 CG	RMB Mn	4,594
Shandong Hualu Hengsheng Group Co., Ltd	600426 CG	RMB Mn	6,456
Shanxi Lanhua Sci-tech Venture Co., Ltd.	600123 CG	RMB Mn	12,189
Taiyuan Coal Gasification Co., Ltd.	000968 CS	RMB Mn	4,197
Inner Mongolia Yuan Xing Energy Co., Ltd.	000683 CS	RMB Mn	3,064
Huscoke Resources Holdings Limited	704 HK	RMB Mn	282
Qitaihe Baotailong Coal & Coal Chemicals Public Co., Ltd.	601011 CG	RMB Mn	3,878

(vii) Engineering and construction of nuclear power plants and other infrastructure projects			
China Communication Construction Co., Ltd	1800 HK	RMB Mn	69,059
Sinohydro Group Ltd	601669 CH	RMB Mn	29,472
China Railway Group Ltd	390 HK	RMB Mn	58,962
China Railway Construction Corp Ltd	1186 HK	RMB Mn	60,641
China National Chemical Engineering Co., Ltd.	601117 CH	RMB Mn	39,464
China Gezhouba Group Co., Ltd.	600068 CH	RMB Mn	13,810
China State Construction Engineering Corporation Ltd.	601668 CH	RMB Mn	94,200

As presented in below table, we calculated EV/EBITDA and EV/ Invested Capital of comparable companies in 7 industries. The EV of the comparable companies as numerator of the price multiples were calculated based on the sum of market capitalization as of the Measurement date and book value of net debt and minority interest as of the latest available interim closing. The denominators for EV/EBITDA multiples are based on the annual total for the latest 2013 financial year and for EV/Invested Capital are based on December 2013 closing balance.

With similar consideration of historical 3-year return on assets as discussed in the sub-group of the 13 Coal Companies, we selected appropriate price multiples based on specific criteria to deduce the range of EV for each subject company. The sum of the mid-point of the EV value of each subject company represents the conclusion of the calculated value of EV of the 7 Non-Coal Companies.

We applied different price multiples appropriate to determine the EV for each of the 7 Non-Coal Companies by the three sub-groups as follows:

Price multiples of comparable companies			Selected multiples for 2 Non-Coal Companies in chemical industry
(i) Sale and production of phosphate compounds and fertilizer	(vi) Sale and production of coking chemicals		
<u>EV / 2013 EBITDA</u>			7.04 - 17.65
Max	27.26	53.53	
Min	8.85	7.04	
Median	17.65	21.69	
Average	17.25	18.22	
<u>EV / December 31, 2013 Invested Capital</u>			1.17 - 1.21
Max	2.96	1.33	
Min	1.03	0.39	
Median	1.51	1.06	
Average	1.21	1.17	
Price multiples of comparable companies			Selected multiples for 3 Non-Coal Companies in construction material industry
(ii) Provision of cement equipment and engineering services, production and sales of cement	(iv) Sale and production of non ferrous metals	(v) Sale and production of steel pipes	
<u>EV / 2013 EBITDA</u>			6.51 - 20.39
Max	9.17	60.06	
Min	5.99	5.79	
Median	7.13	20.39	
Average	6.58	15.02	
<u>EV / December 31, 2013 Invested Capital</u>			0.88 - 1.07
Max	1.67	4.04	
Min	0.77	0.81	
Median	1.06	1.43	
Average	0.90	1.10	
Price multiples of comparable companies			Selected multiples for 2 Non-Coal Companies in infrastructure industry
(iii) Railway construction and management	(vii) Engineering and construction of nuclear power plants and other infrastructure projects		
<u>EV / 2013 EBITDA</u>			6.39 - 8.46
Max	17.21	8.33	
Min	6.02	4.14	
Median	11.32	6.35	
Average	11.04	6.42	
<u>EV / December 31, 2013 Invested Capital</u>			0.90 - 1.54
Max	2.91	3.11	
Min	1.24	0.84	
Median	2.01	1.22	
Average	1.85	0.90	

According to the instruction of the Company, the calculated value of each of the 7 Non-Coal Companies is not disclosed in this report. Based on the above analytical procedures, the aggregate calculated value of EV for the 7 Non-Coal Companies is concluded at RMB 149,700 million based on the aggregate mid-point of EV of each subject company.

In addition, we applied the two weighted average price multiples to the aggregate financial performance and statue for full year 2013 and closing balance as of December 31, 2013 of 7 Non-Coal Company as the entire portfolio for reasonableness check as below::

	(a) Aggregate amount of 7 Non-Coal Companies	(b) Implied weighted average multiples	Product of (a) financial and operating data (b) implied weighted average multiples (In RMB million)
2013 Annual EBITDA	RMB 15,932 million	9.60	153,028
Invested Capital as of December 31, 2013	RMB 143,016 million	1.024	146,505

The concluded calculated enterprise values for 7 Non-Coal Companies at RMB 148,500 million can be reconciled with the above EV so indicated by the two blended price multiples.

For 7 Non-Coal Companies, the aggregate of the calculated equity value attributable to the Company is concluded as below:

Aggregate of the mid-point calculated enterprise values devised by different price multiples	RMB 149,700 million
Total book value of net debt liabilities	RMB 70,400 million
Total calculated value of minority shareholder's interest	RMB 24,300 million
Aggregate of calculated equity values on 100% basis	RMB 55,000 million
Aggregate of calculated equity values attributable to the Company	RMB 9,000 million

RESULT OF CALCULATED VALUE

Based on our calculations, as described in this report, which are based solely on the procedures agreed upon as referred to above, the mid-point of the range of aggregate calculated values of equity interests of the Investment Portfolio Companies attributable to the Company as of the December 31, 2013 is RENMINBI FIFTY FIVE BILLION NINE HUNDRED MILLION rounding to nearest hundred million (RMB 55,900 Million).

This resulting calculated value was based on the agreed calculation engagement procedures, limited information and calculation engagement methods that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We have no obligation to update this report nor our calculation of value for information that comes to our attention after the date of this report.

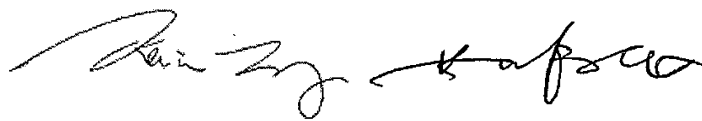
We do not provide assurance on the achievability of any financial results estimated by the Company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of Management.

We have not investigated the title to or any liabilities against the property calculated.

We hereby certify that we have neither present nor prospective interests in the Company or the value reported.

Yours faithfully,
For and on behalf of

AMERICAN APPRAISAL CHINA LIMITED

The image shows two handwritten signatures in black ink. The signature on the left is for Mr. Kevin K. Y. Leung, and the signature on the right is for Mr. Ricky S.O. Lee. Both signatures are fluid and cursive.

Mr. Kevin K. Y. Leung
Vice President

Mr. Ricky S.O. Lee
Senior Vice President and
Director

Note: Mr. Lee has been involved in business valuation over fifteen years and mineral property valuation over ten years for the purposes of joint venture, merger & acquisition and public listing. He is a fellow member of the Association of Chartered Certified Accountants, accredited senior appraiser of the American Society of Appraisers and charter holder of the Chartered Financial Analyst.

Mr. Leung has been involved in business valuation over ten years for asset management companies and state-owned enterprises for the purposes of accounting, joint venture and public disclosure. He is a fellow member of the Association of Chartered Certified Accountants, member of Hong Kong Certified Public Accountants and charter holder of the Chartered Financial Analyst.

This calculation engagement was prepared under the supervision of Mr. Lee and Mr. Leung as project-in-charge with significant professional assistance from the team of 10-20 consultants.