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VALUATION OF THE FAIR VALUE OF THE COMMON EQUITY INTEREST IN 山東順東港務有限公司

The Directors
Energy International Investments Holdings Limited
Units 4307-08, Office Tower,
Convention Plaza,
1 Harbour Road,
Wanchai, Hong Kong

Date: 8 April 2025
Our Ref.: P/HK/2024/VAL/0041

Dear Sir/Madam,

RE: VALUATION OF THE FAIR VALUE OF THE COMMON EQUITY INTEREST IN 山東順東港務有限公司

In accordance with your instructions, we have undertaken a valuation on behalf of Energy International Investments Holdings Limited ("Energy International") to determine the fair value ("Fair Value", to be defined below) of the common equity interest ("Common Equity Interest") in 山東順東港務有限公司 (the "Target Company") as at 31 January 2025 ("Valuation Date"). The Target Company had Common Equity Interest and Preferred Equity Interest, and its latest shareholdings are exhibited in the below table.

Shareholdings of at 31 January 2025

	Common Equity Interest percentage
Ordinary shareholders	
- 中海香港投资有限公司	46.67%
- 山东逸灿港务有限公司	44.83%
- 国优能源贸易(山东)限公司	8.50%
Preferred shareholders	
- 山东辉开能源贸易有限公司	-
- 山东辉开能源贸易有限公司	-
Total	100%

According to the management of Energy International (the "Management"), the holders of Preferred Equity Interest do not have voting rights and right to profit-based variable dividend and they do not hold the Common Equity Interest. Each percentage point of voting rights is essentially the same as each percentage point of the Common Equity Interest of the Target Company.

In this exercise, we are instructed to provide an opinion of the valuation of 29.83% of the Common Equity Interest of the Target Company on a controlling stake basis. In this exercise, the Fair Value of the Preferred Equity Interest is deducted from the net asset value to arrive at the Fair Value of the Common Equity Interest of the Target Company.

The Target Company is principally engaged in the business of leasing of oil and liquefied chemical terminal, together with its storage and logistics facilities, and provision of agency services and trading of oil and liquefied chemical products.

The purpose of this valuation is to express an independent opinion of the Fair Value of Common Equity Interest of the Target Company as at the Valuation Date for circular reference purpose. The valuation result should not be construed to be a fairness opinion, a solvency opinion or an investment recommendation. It is inappropriate to use our valuation report for purpose other than its intended use or by third parties. These third parties should conduct their own investigation and independent assessment of captioned subjects.

We relied upon completeness, accuracy and fair representation of operational, financial information and business plans in relation to the business provided by the Management. The fair value of the Common Equity Interest of the Target Company is subject to a number of assumptions concerning historical financial information and its current financial position. To the extent that any of these assumptions or facts changed, the result of the valuation would be changed accordingly.

STANDARD OF VALUE

We will conduct the valuation exercises in accordance with International Valuation Standards (IVS) and provide our opinion of values in formal reports. According to IVS, our opinion of the Fair Value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

The valuation will be prepared in accordance with IVS as published by International Valuation Standards Council.

PREMISE OF VALUE

Premise of value is an assumption regarding the most likely set of transaction circumstances that may be applicable to the subject valuation such as going concern or liquidation.

A going concern value represents the value of a business enterprise that is expected to continue to operate into the future. A liquidation value represents the value of the business on the premise that all assets of the enterprise will be disposed on a piecemeal basis.

This report is prepared using the premise that the subject company is a going concern, which presumes that the subject business enterprise will continue to operate into the future.

FINANCIAL OVERVIEW

Based on the draft unaudited financial statements, the financial position of the Target Company is summarised in the below table.

Statement of Financial Position at 31 January 2025

	Book Value
	RMB'000
NON-CURRENT ASSETS	
Property, plant and equipment	27,403
Right of use assets	6,650
Investment properties	1,406,620
Total non-current assets	**1,440,673**
CURRENT ASSETS	
Trade and lease receivables	48,137
Prepayments and other receivables	7,223
Amount due from intermediate holding company	39,424
Amount due from a fellow subsidiary	2
Time deposit with original maturity over three months but not over one year	320,000
Cash and cash equivalents	1,951
Total current assets	**416,737**
CURRENT LIABILITIES	
Other payables and accruals	27,458
Bank borrowings	18,000

Lease liabilities	90
Amount due to immediate holding company	154,161
Amounts due to fellow subsidiaries	328,752
Total current liabilities	**528,461**
NET CURRENT LIABILITIES	**-111,724**
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,328,949**
NON-CURRENT LIABILITIES	
Preferred shares	361,000
Other payables	9,600
Lease liabilities	1,683
Deferred tax liabilities	211,016
Total non-current liabilities	**583,299**
Net assets	**745,650**

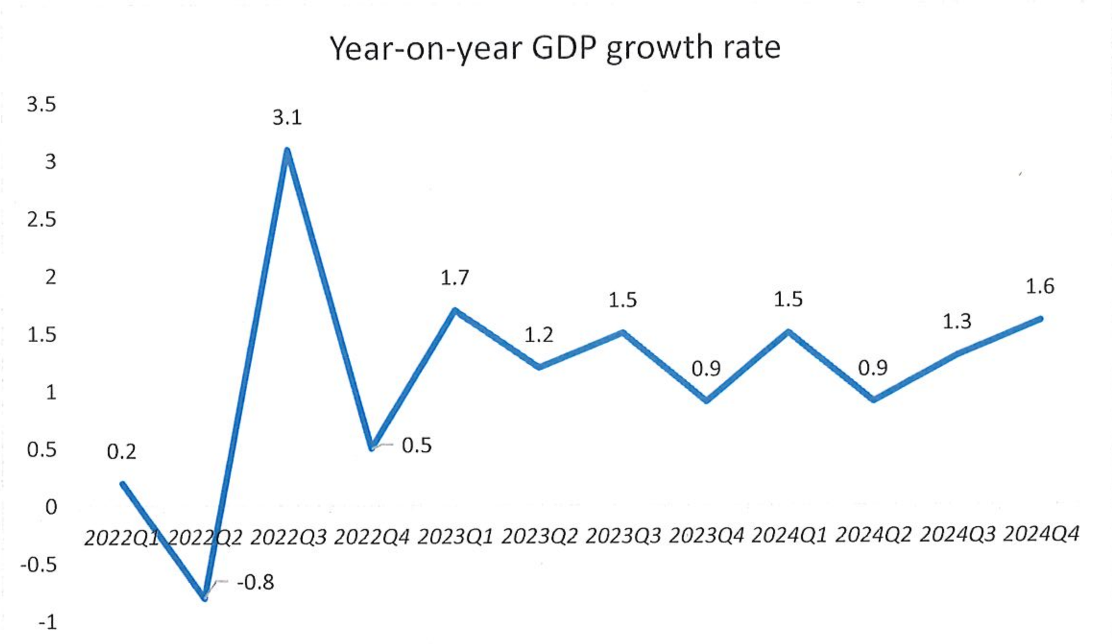
ECONOMIC OVERVIEW

As the Target Company operates in China, its business is influenced by the country's economic conditions and market fluctuations. We have assessed the economic environment in China, from which the Target Company is expected to generate its future income.

China's GDP grew by a rate of 1.6% in Q4 2024, accelerating from an 1.3% increase in Q3 and marking the strongest quarterly growth since Q1 2023. This represents the 10th consecutive quarter of growth, supported by a series of stimulus measures introduced since September to revive economic momentum and address persistent challenges. These challenges include rising deflation risks, weak domestic demand, a prolonged downturn in the property sector, and high levels of local government debt. On the monetary policy front, the People's Bank of China (PBoC) has maintained a supportive stance, reducing the Reserve Requirement Ratio (RRR) for commercial banks by 50 basis points in both September and February, alongside cuts to several key interest rates to enhance liquidity and stimulate economic activity.

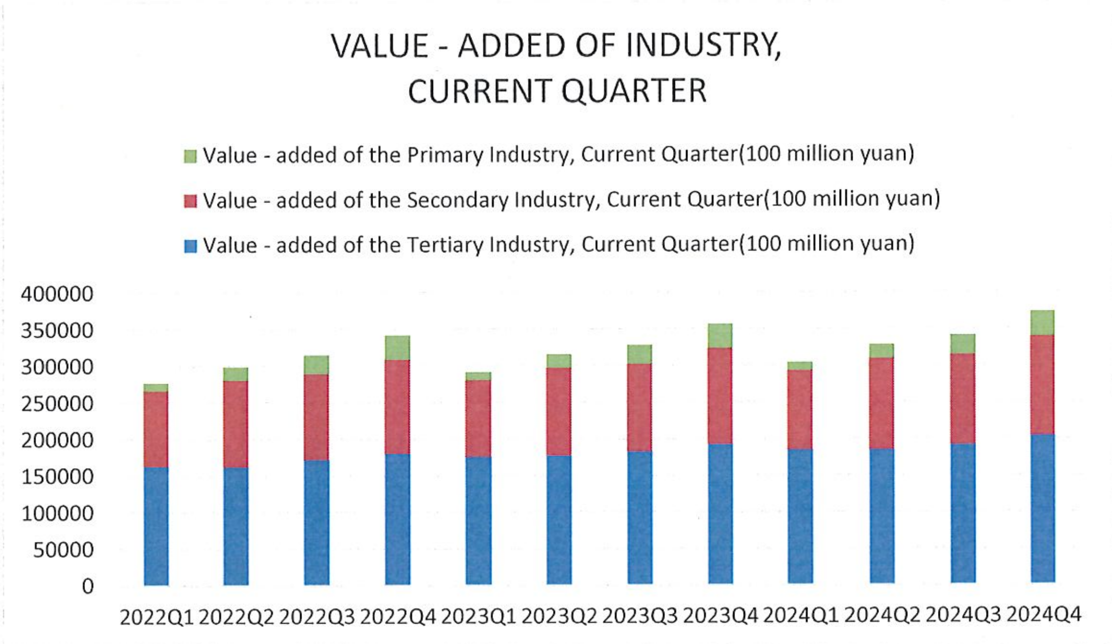
However, despite these efforts, there might be risks that remain due to a challenging external environment and subdued domestic demand. It has underscored the necessity for more proactive and effective macroeconomic policies to ensure a sustained economic recovery.

Chart 1 –Year-on-year GDP Growth Rate %



Source: National Bureau of Statistics

Chart 2 –Value-added of Industry, Current Quarter (100 million yuan)



Source: National Bureau of Statistics

Money supply and credit maintained steady growth. The People's Bank of China (PBOC) reduced the required reserve ratio (RRR) by a total of one percentage point in February and September, releasing approximately RMB 2 trillion in long-term liquidity. Additionally, the PBOC employed a combination of monetary policy tools, including open market operations (OMOs), medium-term lending facility (MLF) operations, central bank lending, and discount facilities, while also conducting government bond transactions to ensure adequate liquidity at reasonable levels. These measures aimed to promote a balanced credit supply, optimise the allocation of underutilised financial resources, and enhance the quality and efficiency of financial services supporting the real economy.

The overall cost of social financing remained stable with a downward trend. In January, the PBOC lowered the interest rates on central bank lending for rural development, micro and small businesses (MSBs), and the central bank discount rate by 0.25%. Furthermore, the 7-day reverse repo rate was reduced by a cumulative 0.3% in July and September, contributing to a gradual decline in financing costs. It continued to promote the market-based reform of the deposit rate and guided market rates, including the loan prime rate (LPR), to move down. Third, the credit structure was improved. The PBOC launched new policies to bolster the real estate market. It lowered the interest rate on existing mortgage loans, unified the minimum down payment ratio for first- and second-home buyers, and it improved central bank lending for government-subsidised housing. It launched the Securities, Funds, and Insurance Companies Swap Facility (SFISF) as well as central bank lending for share buybacks and shareholding increases to support stable development of the stock market. It pressed ahead with the use of central bank lending for sci-tech innovation and technological transformation, and it intensified financial support for large-scale equipment renewal and trade-in of consumer goods. It lowered the threshold for access to inclusive MSB loans and expanded the list of financial institutions eligible for the Carbon Emission Reduction Facility (CERF), making good use of the existing structural monetary policy tools. Fourth, the exchange rate remained basically stable. Upholding the decisive role of the market in the formation of the exchange rate, the PBOC gave play to the role of the exchange rate in adjusting the macro economy and the balance of payments, maintained exchange rate flexibility, and strengthened expectation guidance. Fifth, risk prevention and resolution were strengthened. The PBOC improved financial risk monitoring and assessment, and it appropriately handled the risks in key areas and with key projects. The work of providing financial support to help resolve the debt risks of local government financing vehicles was promoted in an orderly way, and development of a financial stability guarantee system was stepped up.

In recent decades, China's expansionary policy has helped sustain rapid economic growth that outperforms most other countries. The share of world GDP in China has reached about 17%. It is against this backdrop that credit to Chinese businesses has increased even faster, supporting GDP growth, but the resulting leverage in the corporate sector makes it increasingly vulnerable to shocks.

Table 1 - GDP, current prices (Billions of U.S. dollars) in 2024

	China	United States	Europe	World
GDP	18,273.36	29,167.78	16,069.36	110,064.9
% of world GDP	*16.60%*	*26.50%*	*14.59%*	100%

Source: IMF, 2024

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INDUSTRY OVERVIEW

Currently, external uncertainties are increasing, and global economic growth momentum has weakened. Domestically, the economy faces challenges such as insufficient effective demand and subdued social expectations.

In 2024, foreign trade is expected to recover gradually, supported by accelerating overseas demand expansion and steady growth in domestic demand, which will provide a boost to port throughput. China's port industry, one of the largest and busiest port networks globally, has developed a world-leading port system over the years. This system not only handles a wide range of cargoes—including containers, dry bulk, and liquid bulk—through services such as transport transshipment, loading and unloading, warehousing, storage, and distribution, but also ranks prominently among the world's major coastal ports in terms of throughput. Moving forward, regional cooperation and synergistic development will become key themes for the port industry, underpinning its promising long-term growth prospects.

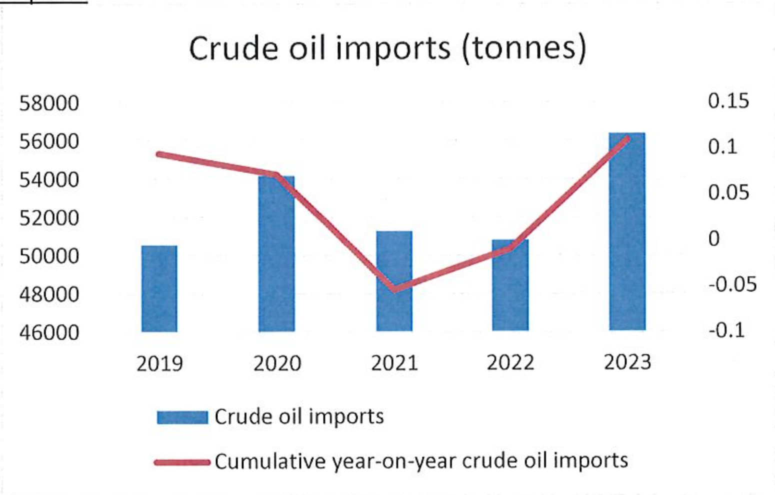
As the world's largest oil consumer, China remains heavily reliant on imports, with crude oil imports increasing by 11.0% year-on-year, driven largely by recovering energy demand. Looking ahead to 2025, China's economy is expected to continue its steady improvement, with energy demand projected to rise steadily. As a result, crude oil throughput at Chinese ports is likely to maintain its growth trajectory.

Table 2 – 2024 Cargo and Container Throughput in China's Coastal Areas

	Cargo Throughput (tonnes)		Container Throughput (million TEU)	
	Cumulative since the beginning of the year	year-on-year growth rate	Cumulative since the beginning of the year	year-on-year growth rate
Liaoning	68,178	-0.2	1,220	4.0
Hebei	128,098	3.2	368	
Tianjin	53,690	3.7	2,210	4.8
Shandong	191,846	4.8	4,134	8.1
Shanghai	72,264	5.6	4,739	6.7
Jiangsu	51,264	6.8	681	10.0
Zhejiang	155,529	3.3	4,167	10.3
Fujian	67,552	-0.9	1,637	-1.6
Guangdong	177,178	3.0	6,444	8.5
Guangxi	40,860	2.6	822	13.8
Hainan	20,281	7.4	332	11.5

Source: The Ministry of Transport of PRC

Chart 3 – Crude oil imports



Source: National Bureau of Statistics

In the long run, the domestic port competition pattern is basically stable, regional cooperation and synergistic development will gradually become an important tone for the future development of the port industry. In addition, according to the Ministry of Transport issued the 'waterway' 14th Five-Year Development Plan, '14th Five-Year Plan' period of China's efforts to improve the quality and efficiency of the construction of world-class ports, the protection of the ability to moderately ahead of the level of intelligent, green and safe development level significantly increased to support national strategies The focus will be on building high-capacity port hubs, promoting the high-quality development of intermodal transport, and improving management capacity and level. In the future, the port industry will accelerate the construction of world-class ports and transform towards green ports and smart ports, while continuing to promote the development of intermodal transport and management enhancement. Overall, as an important transport infrastructure, the overall credit risk of the port industry is low and the industry outlook is stable.

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VALUATION METHODOLOGY AND BASIS

We have conducted the Valuation in accordance with the International Valuation Standard. The valuation procedures employed include an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the Target Company. All the matters we consider essential to the proper understanding of the Valuation are disclosed in our valuation report. In arriving at our assessed value, we have considered three accepted approaches, namely, income approach, asset-based approach and market approach.

Income approach: provides an indication of value by converting future cash flows to a single current asset value, and is commonly applied to an aggregation of assets consisting of all assets of a business enterprise, including working capital and tangible and intangible assets. Value is derived based upon the present worth of economic benefits of ownership of asset.

Asset-based approach: provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. Value is established based on cost of reproducing or replacing the asset, less depreciation or amortisation from functional and economic obsolescence, if present and measurable.

Market approach: provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available, and incorporating adjustments to be made for any difference between the properties of the comparable assets and the subject asset being appraised.

In this valuation, the Target Company is principally engaged in the business of leasing of oil and liquefied chemical terminal, together with its storage and logistics facilities. Given the unique nature of its assets, which include berths, harbor basins, and storage facilities, there is a lack of comparable public companies with similar holdings. As a result, the market approach is not considered suitable for this valuation.

The cash flows generated by these properties are inherently reflected in the fair value of the investment properties themselves. Consequently, the asset-based approach, rather than the income approach, is typically adopted when appraising investment holding businesses that primarily own and manage investment properties, such as the Target Company.

For the purpose of our valuation, we have also derived the Fair Value of the Common Equity Interest based on the available information and presently prevailing as well as prospective operating conditions of the business and by taking into consideration other pertinent factors which basically include the followings:

- the market and the business risks;
- the general economic outlook as well as specific investment environment;

- the nature and current financial status;
- the historical performance;
- the assumptions as stated in the section of Assumptions in this report.

Valuation of the Common Equity Interest of Target Company

Based on the financial statements provided by the Management, the net assets value of the Target Company is approximately RMB745,650,000. The provisional financial positions of the Target Company are summarised in the below table:

Statement of Financial Position at 31 January 2025

	Book Value
	RMB'000
NON-CURRENT ASSETS	
Property, plant and equipment	27,403
Right of use assets	6,650
Investment properties	1,406,620
Total non-current assets	**1,440,673**
CURRENT ASSETS	
Trade and lease receivables	48,137
Prepayments and other receivables	7,223
Amount due from intermediate holding company	39,424
Amount due from a fellow subsidiary	2
Time deposit with original maturity over three months but not over one year	320,000
Cash and cash equivalents	1,951
Total current assets	**416,737**
CURRENT LIABILITIES	
Other payables and accruals	27,458
Bank borrowings	18,000
Lease liabilities	90
Amount due to immediate holding company	154,161
Amounts due to fellow subsidiaries	328,752
Total current liabilities	**528,461**
NON-CURRENT LIABILITIES	
Preferred shares	361,000
Other payables	9,600

Lease liabilities	1,683
Deferred tax liabilities	211,016
Total non-current liabilities	**583,299**
Net assets	**745,650**

Asset-Based Approach – Adjusted Net Assets Value Analysis

As part of our analysis, we have conducted a high-level review of the breakdown and nature of the assets and liabilities held by the Target Company. We have also relied to a considerable extent on information provided by the Management in arriving at our appraisal of these assets and liabilities. Details of adjustments (if any) to the assets and liabilities to reflect Fair Value basis is outlined as follows.

1. Property, plant and equipment:

   The property refers to Office Building No. 3, The Yellow River Delta International Plaza, located in the Dongying Economic and Technological Development Zone ("Dongying ETDZ"), at 379 Yunhe Road, Dongying City, Shandong Province, PRC. The property was acquired by the Target Company in August 2024. The property ownership certificate number is Lu (2024) Dongying Shi Budongchanquan No. 0050392 (鲁(2024)东营市不动产权第 0024230 号). The property comprises a three-storey office building with a gross floor area of approximately 1,938.05 square meters. The land use right is designated for commercial use, with tenure valid until July 2050.

   In forming our opinion of fair value of the property, plant and equipment, we have adopted the market direct comparison approach, referencing comparable sales evidence available in the relevant market. Additionally, we have considered the incurred construction costs as well as the estimated costs required to complete the development, ensuring that the valuation reflects the quality of the completed project. The property, plant and equipment has been valued on the assumption that it will be developed and completed in accordance with the latest development proposal provided to us. Furthermore, we have assumed that all necessary consents, approvals, and licenses from relevant government authorities have been obtained without onerous conditions or undue delays.

   For further details, please refer to the property report titled" In respect of a property located in Dongying City, Shandong Province, The People's Republic Of China ".

2. Investment properties:

   The investment properties comprise six berths and various ancillary facilities, including harbor basins and storage tanks for gas, refined oil, and petrochemicals. It has been leased to various port operators since commencing full-scale operations in May 2018. According to information provided by the Company, the total sea area of the investment properties is approximately 66.6328 hectares, which includes 28.0939 hectares of construction reclamation land (建設填海造地), 3.4988 hectares of permeable structures (透水構築物), and 35.0401 hectares of harbor basin (港池、蓄水) and water-retaining areas. The sea area use rights will expire on 13 November 2064 and 22 February 2066, respectively.

   We have adopted the Income Approach – Income Capitalisation Method in forming our opinion of fair value of the investment properties. As the investment properties are properties held for investment with rental income to be received in the future, we consider the Income Approach to be the most appropriate and widely accepted method for valuing rental-generating assets like the investment properties.

   This method estimates the properties' value by capitalising its net rental income at an appropriate market-derived capitalization rate, reflecting factors such as property type, rental growth expectations, capital appreciation, and associated risks. The Fair Value of the investment properties is determined by capitalising the expected annual rental income from the port and storage facility, including income under the latest lease agreements and self-operated portions of the facility.

   For further details, please refer to the property report titled" Liquid Chemical Berth Nos. 1 – 6 and other Relevant Facilities, Santuti, Dongying Port, Dongying Port Economic Development Zone, Dongying, Shandong Province, The People's Republic Of China ".

3. Trade and lease receivables, prepayments and other receivables and amounts due from intermediate holding company and a fellow subsidiary:

   This represents trade and lease receivables, prepayments and other receivables and amounts due from intermediate holding company and a fellow subsidiary held by the Target Company. As at the Valuation Date, the Target Company has receivables in the amount of approximately RMB94,786,000. According to the Management, the trade and lease receivables, prepayments and other receivables and amounts due from intermediate holding company and a fellow subsidiary should be settled either on demand or in a short period of time and necessary impairment provision was made, and the carrying amounts of the receivables shall reflect their Fair Value as at the Valuation Date. We have assumed no material errors in the accounting record of the Target Company as at the Valuation Date.

4. Time deposit and Cash and cash equivalents:

   This represents cash in banks and time deposits and is the most liquid asset available for use of the firm. The Fair Value of cash and cash equivalents is equal to its carrying amount.

5. Other payables and accruals:

   This represents other payables and accruals held by the Target Company. Based on the discussion with the Management of the Target Company, all other payables and accruals should be settled either on demand or in short period of time and no material timing difference was noted, and the carrying amounts of the liabilities shall reflect their Fair Value as at the Valuation Date. We have assumed no material errors in the accounting record of the Target Company as at the Valuation Date.

6. Bank borrowing:

   The bank borrowing of the Target Company carries interest rate, which is similar to the existing market interest rate in the People's Republic of China. We have adopted the book value of the loans in our valuation. We have assumed that no material recording errors were noted.

7. Lease liabilities:

   The values of the lease liabilities would be equal to the sum of present values of the expected market rent and lease payments, derived using the discounted cash flow ("DCF") analysis as at the valuation dates.

   It is considered that the book values of lease liabilities were adopted as Fair Value. We have assumed no material errors in the accounting record of the Target Company as at the Valuation Date.

8. Amounts due to immediate holding company and fellow subsidiaries:

   As at the Valuation Date, the Target Company has an amounts due to immediate holding company and fellow subsidiaries in the approximately amount of RMB154,161,000 and RMB328,752,000. According to the Management, the amounts due to immediate holding company and fellow subsidiaries should be settled either on demand or in short period of time and no material timing difference was noted, and the carrying amounts of the liabilities shall reflect their Fair Value as at the Valuation Date. We have assumed no material errors in the accounting record of the Target Company as at the Valuation Date.

9. Preferred shares:

The value of the preferred shares is appraised using the discounted cash flow method and is calculated as the sum of present values of the expected dividend payments as at the Valuation Date. The expected dividend payments are derived from the contract terms of the investment agreements relating to the preferred shares and the future cash flows are discounted at the rate of 5.5% per annum. This rate is derived with reference to comparable bond yields and the China risk-free rate as at the Valuation Date.

10. Deferred tax liabilities:

The deferred tax liability is represent taxes deferred and not yet paid. We have calculated the deferred tax liabilities as the fair value changes of the Investment properties as the difference between their book values and fair values multiplied by the applicable profit tax rate of 25% based on the management's advice of relevant tax policies that would be applied to the Investment properties.

Adjusted Net Assets Value Analysis at 31 January 2025

	Book Value	**Fair Value**
	RMB'000	**RMB'000**
NON-CURRENT ASSETS		
Property, plant and equipment	27,403	25,253
Right of use assets	6,650	6,650
Investment properties	1,406,620	1,901,000
Total non-current assets	**1,440,673**	**1,932,903**
CURRENT ASSETS		
Trade and lease receivables	48,137	48,137
Prepayments and other receivables	7,223	7,223
Amount due from intermediate holding company	39,424	39,424
Amount due from a fellow subsidiary	2	2
Time deposit with original maturity over three months but not over one year	320,000	320,000
Cash and cash equivalents	1,951	1,951
Total current assets	**416,737**	**416,737**
CURRENT LIABILITIES		
Other payables and accruals	27,458	27,458
Bank borrowings	18,000	18,000
Lease liabilities	90	90
Amount due to immediate holding company	154,161	154,161

Amounts due to fellow subsidiaries	328,752	328,752
Total current liabilities	**528,461**	**528,461**
NON-CURRENT LIABILITIES		
Preferred shares	361,000	366,000
Other payables	9,600	9,600
Lease liabilities	1,683	1,683
Deferred tax liabilities	211,016	334,611
Total non-current liabilities	**583,299**	**711,894**
Net assets	**745,650**	**1,109,285**

After the abovementioned adjustments, the adjusted net assets value before marketability adjustment and before capital injection would be calculated as RMB1,109,285,000.

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DISCOUNT FOR LACK OF MARKETABILITY ("DLOM")

Privately held companies are not readily marketable and would face more difficulty in converting its shares into cash as compared with publicly held companies. DLOM is commonly considered in the valuations of privately held companies to reflect difference in the marketability of the shares of the subject private companies and that of the selected publicly-traded comparable companies.

We generally select the appropriate DLOM based on the 2024 Stout Restricted Stocks Studies on Determining Discount for Lack of Marketability ("Stout DLOM Studies"), which incorporated an examination of 779 private placement transactions of unregistered common stock, with and without registration rights, issued by publicly traded companies from July 1980 through March 2024.

The Stout DLOM Studies summarise median DLOM based on the following industry classifications:

Industry	Transaction Count*	Median Discount
Mining	91	14.4%
Manufacturing	336	15.8%
Transaction, Communication, Electric, Gas and Sanitary Services	45	16.4%
Wholesale Trade	13	18.3%
Retail Trade	31	13.2%
Finance, Insurance, and Real Estate	99	11.4%
Services and Public Adminitration	163	22.1%

* According to the Stout DLOM Studies, one transaction from the agriculture industry has been excluded from this table.

We consider that the "Transportation, Communications, Electric, Gas and Sanitary Services" classification is the most relevant to the Target Company because:

- Industrial leasing operations: The Target Company's business (leasing oil/chemical terminals and storage facilities) aligns with this category under Standard Industry Classification codes;

- Logistics Infrastructure: The storage and logistics of oil/chemicals are integral to transportation infrastructure and supply chains.

The Stout DLOM Studies do not disclose the mean DLOM for the above industry classifications. However, it is known that the data of Stout DLOM Studies is right-skewed (concentrated at lower discounts with a long tail of high discounts). We consider that the median discount (16.4%) is more representative than the mean, because the mean discount is inflated by outlier transactions with extremely high discounts.

The discount implied by these private placement transactions in comparison with the corresponding publicly traded common stocks, and is generally considered an appropriate proxy for DLOM for closed held private businesses.

The Fair Value of the Common Equity Interest of the Target Company as of Valuation Date

Net Assets Value after deducting the value of the preferred shares (before marketability adjustment) (RMB'000)	(A)	1,109,285
Discount of Lack for Marketability	(B)	16.4%
Value of the Common Equity Interest after marketability discount (RMB'000)	(A) x (1 - (B)) = (C)	927,362
Shareholding (%)	(D)	29.83%
Fair Value of the Common Equity Interest of the Target Company (RMB'000)	(C) x (D) = (E)	276,632
Fair Value of the Common Equity Interest of the Target Company (RMB'000) (rounded to the nearest million)		277,000

SOURCE OF INFORMATION AND CAVEATS

We have been provided with extracts of copies of relevant documents and financial information relating to the Target Company. We have relied upon the aforesaid information in forming our opinion of the Fair Value. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have no reason to doubt the truth and accuracy of the said information which is material to the valuation. We have also been advised by the Target Company that no material facts have been omitted from the information provided. We have also made relevant inquiries and obtained further information as considered necessary for the purpose of this valuation.

While we have exercised our professional knowledge and cautions in adopting assumptions and other relevant key factors in our valuation, those factors and assumptions are still vulnerable to the change of the business, economic environment, competitive uncertainties or any other abrupt alternations of external factors.

ASSUMPTIONS

In the course of valuation, the following specific assumptions and caveats have been made. We have based on the followings to conclude the Fair Value of the Target Company.

- It is assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

- There will be no major changes in existing political, legal, fiscal or economic conditions in the country or district where the business is in operation.

- There will be no major changes in the current taxation law in the areas in which the Target Company carry on its business, that the rate of tax payable remains unchanged and that all applicable laws and regulations will be complied with.

- The inflation, interest rates and currency exchange rate will not differ materially from those presently prevailing.

- The Target Company will retain their management and technical personnel to maintain their ongoing operations.

- There will be no major business disruptions through international crisis, industrial disputes, industrial accidents or severe weather conditions that will affect the existing business.

- The Target Company will remain free from claims and litigation against the business or its customers that will have a material impact on value.

- The Target Company is unaffected by any statutory notice and the operation of the business will not give rise to any contravention of any statutory requirements.

- The business is not subject to any unusual or onerous restrictions or encumbrances.

LIMITING CONDITIONS

We have to a considerable extent relied on the financial data and other related information provided by the Target Company. We are not in a position to comment on the lawfulness of the business.

To the best of our knowledge, the statements of facts contained in this document, upon which the analysis and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this document or utilised in the formation of the Valuation were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us.

To the extent that any of the adopted assumptions or facts provided to us are changed, the result of the Valuation would be different. It should be noted that the financial information regarding the Target Company provided to us has been represented by the Management and was assumed for the purposes of this opinion that such information was reasonably prepared with diligence and based on best efforts of the Management as to the current results of the operations and financial conditions of the Target Company.

Neither the whole, nor any part of this report and valuation, nor any reference thereto may be included in any documents, circular or statement without our written approval of the form and context in which it will appear.

MANAGEMENT CONFIRMATION OF FACTS

A draft of this report and our calculations have been sent to the Management. They have reviewed and orally confirmed to us that facts, as stated in this report and calculations, are accurate in all material respects. Management confirms that they have performed the necessary due-diligence on the information provided, and understands that any material changes or errors in such information could lead to a substantial change in our valuation result. As of the date of this report, they are not aware of any material matters relevant to our engagement that were excluded.

Management should also acknowledge that the valuation was carried out using theoretical valuation approaches, and thus could be different from any potential transaction prices. The valuation result should therefore be used for Energy International's circular reference purpose only. It is noted that the Management has reviewed all valuation results and agreed with all relevant valuation inputs and calculations.

REMARKS

Unless otherwise stated, all money amounts are stated in Rénmínbì ("RMB").

We hereby confirm that we have neither present nor prospective interests in Energy International, the Target Company and their respective holding companies, subsidiaries and associated companies, or the value reported herein.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company, Energy International and us.

OPINION OF THE VALUE

Based on the investigation and analysis stated above and on the method employed, we are of the opinion that as at the Valuation Date: the Fair Value of the 29.83% of Common Equity Interest of the Target Company on a the controlling stake basis was reasonably stated as **RMB277,000,000**.

Yours faithfully,
For and on behalf of
APAC Asset Valuation and Consulting Limited

Jasper Chan
CFA, FRM
Director

Notes:

Jasper Chan, CFA, FRM

Mr. Jasper Chan is a CFA® charterholder and a certified FRM® with 10 years of experience in handling valuations and financial modelling for financial reporting, merger and acquisition, financial derivatives, intangible assets, biological assets, mine valuations, etc. He also has extensive experience in providing valuation advisory services to private Common Equity Interest funds, and providing litigation support in relation to commercial and matrimonial disputes. His work has covered a range of different industries including manufacturing, financial services, mineral resources, forestry, IT, pharmaceutical, casinos & gaming, etc.