

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this Listing Document received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as of July 31, 2010 of the property interests of the Group. As described in section "Documents Available for Inspection" in Appendix VIII, a copy of the full valuation report will be made available for public inspection.



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September 24, 2010

The Board of Directors
Sound Global Ltd.
1 Robinson Road #17-00
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Dear Sirs,

In accordance with your instructions to value the properties in which Sound Global Ltd. (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC") and Singapore, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests and property related interests as of July 31, 2010 (the "date of valuation").

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

Due to the nature of the buildings and structures of properties in Group I and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available. The property interests have therefore been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacing the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

In valuing the property interests in Group II which are properties occupied by the Group under concession agreements in connection with the build, operate and transfer business and relevant projects of the Group in the PRC, we have attributed no commercial value to the properties as they could not be freely transferred.

We have attributed no commercial value to the property interests in Groups III and IV, which are leased by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

As the Group is in compliance with paragraph 3(b) of Practice Note 16 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and section 6 of Companies Ordinance (Exemption of Companies and Listing Documents from Compliance with Provisions) Notice, the full details of the individual leased properties under operating lease have been excluded from the valuation certificates in our valuation report to this Listing Document, of which a summary is included in the Summary of Values and the certificate for leased properties.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers — Commerce & Finance Law Offices, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no

structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 27 years' experience in the valuation of properties in the PRC and 30 years of property valuation experience in Hong Kong and the United Kingdom as well as relevant valuation experience in the Asia-Pacific region.

SUMMARY OF VALUES

Group I — Property interests held and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as of July 31, 2010</u> <i>RMB</i>
1.	2 parcels of land, a composite building and various structures located at eastern Zhanggezhuang Village Tongzhou District Beijing The PRC	18,155,000
2.	A parcel of land, 3 buildings and various structures No. 3 Huanyu Road Golden Bridge Science & Technology Industrial Base Tongzhou District Beijing The PRC	54,695,000
Sub-total:		<u>72,850,000</u>

Group II — Property interests held and occupied by the Group under concession agreements in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as of July 31, 2010</u> <i>RMB</i>
3.	Land, various buildings and structures of Shangluo City Wastewater Treatment Project located at Liuwan Industry Zone Shangzhou District Shangluo City Shaanxi Province The PRC	No commercial value
4.	Land, various buildings and structures of Chang'an District Wastewater Treatment Project located at the western side of Zao River and southern side of Xibu Avenue Chang'an District Xi'an City Shaanxi Province The PRC	No commercial value
5.	Land, various buildings and structures of Chongzuo City Wastewater Treatment Project located in Wulongtun of Zhongdu Village Taiping Town Chongzuo City Guangxi Zhuang Autonomous Region The PRC	No commercial value

APPENDIX III

PROPERTY VALUATION

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as of July 31, 2010</u> <i>RMB</i>
6.	Land, various buildings and structures of Jiangyan City Wastewater Treatment Project located at No. 23 Zu of Chengbei Village Jiangyan Town Jiangyan City Jiangsu Province The PRC	No commercial value
7.	Land, various buildings and structures of Hancheng City Wastewater Treatment Project located at No. 1 Zu of Hedu Village New District Hancheng City Shaanxi Province The PRC	No commercial value
8.	Land, various buildings and structures of Jingbian County Wastewater Treatment Project located at the northeast side of Xinshiji Gas Station on Longshan Road Jingbian County Yulin City Shaanxi Province The PRC	No commercial value
9.	Land, various buildings and structures of Hu County Wastewater Treatment Project located at the eastern side of Lao River and western side of Nanhetou Village Ganting Town Hu County Xi'an City Shaanxi Province The PRC	No commercial value
10.	Land, various buildings and structures of Jiangyan Qinhu Wastewater Treatment Project located in Longgang Village Qintong Town Jiangyan City Jiangsu Province The PRC	No commercial value
11.	Land, various buildings and structures of Anyang City Wastewater Treatment Project located in Zong Village Tiexi Road Long'an District Anyang City Henan Province The PRC	No commercial value
Sub-total:		<u>Nil</u>

Group III — Property interests rented and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	Capital value in existing state as of July 31, 2010
		<u>RMB</u>
12.	7 leased properties located in the PRC	No commercial value
	Sub-total:	<u>Nil</u>

Group IV — Property interest rented and occupied by the Group in Singapore

<u>No.</u>	<u>Property</u>	Capital value in existing state as of July 31, 2010
		<u>RMB</u>
13.	#14-04 PSA Building 460 Alexandra Road Singapore 119963	No commercial value
	Sub-total:	<u>Nil</u>
	Grand total:	<u>72,850,000</u>

VALUATION CERTIFICATE

Group I — Property interests held and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
1.	2 parcels of land, a composite building and various structures located at eastern Zhanggezhuang Village Tongzhou District Beijing The PRC	<p>The property comprises a parcel of vacant land with a site area of approximately 4,840.47 sq.m. and a parcel of land with a site area of approximately 10,837 sq.m. together with a composite building erected thereon which was completed in about 2000.</p> <p>The composite building has a gross floor area of approximately 4,085.19 sq.m.</p> <p>The structures mainly include a well, a fountain and a gate.</p> <p>The land use rights of the property have been granted for terms expiring on December 27, 2048 for industrial use.</p>	The property is currently occupied by the Group for office and dormitory purposes, except for a parcel of land with a site area of approximately 4,840.47 sq.m. which is currently vacant.	18,155,000

Notes:

1. Beijing Sound Environmental Engineering Co., Ltd. (“Beijing Sound”, 北京桑德環境工程有限公司) is a wholly-owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Jing Tong Guo Yong (2002 Chu) Di Nos. 252 and 254, the land use rights of 2 parcels of land with a total site area of approximately 15,677.47 sq.m. have been granted to Beijing Sound for terms expiring on December 27, 2048 for industrial use.
3. Pursuant to a Building Ownership Certificate — Jing Fang Quan Zheng Tong She Zi Di No. 0619287, a building with a gross floor area of approximately 4,085.19 sq.m. is owned by Beijing Sound.
4. Pursuant to a Tenancy Agreement, a unit of the composite building of the property with a gross floor area of approximately 90 sq.m. is leased to Beijing Epure Sound Environmental Engineering Technology Co., Ltd. (北京伊普桑德環境工程技術有限公司), a wholly-owned subsidiary of the Company, for a term of one year expiring on March 20, 2011 at nil rent.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. Beijing Sound has obtained the granted land use rights and building ownership rights of the property and can legally occupy and use the property during the use terms stipulated in the land use rights certificates; and
 - b. pursuant to a Mortgage Contract dated August 19, 2010 entered into between Beijing Sound and China Merchants Bank Beijing Beiyuan Road Branch (the “Bank”), the property is subject to a mortgage in favor of the Bank. The Group cannot transfer, donate, further mortgage or otherwise dispose of the property without prior written consent of the Bank before the Mortgage Contract is terminated.
6. We arrive at our opinion of the capital value of the property by disregarding the mortgage mentioned above.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of July 31, 2010 RMB
2.	A parcel of land, 3 buildings and various structures No. 3 Huanyu Road Golden Bridge Science & Technology Industrial Base Tongzhou District Beijing The PRC	The property comprises a parcel of land with a site area of approximately 46,733.52 sq.m. and 3 buildings erected thereon which were completed in about 2002. The buildings have a total gross floor area of approximately 16,688.55 sq.m., which comprise an industrial building, an office building and a boiler room. The structures mainly include roads. The land use rights of the property have been granted for a term expiring on September 24, 2051 for industrial use.	The property is currently occupied by the Group for office and production purposes.	54,695,000

Notes:

1. Beijing Hi-Standard Water Treatment Equipment Co., Ltd. (“Hi-Standard”, 北京海斯頓水處理設備有限公司) is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Jing Tong Guo Yong (2008 Chu) Di No. 015, the land use rights of a parcel of land with a site area of approximately 46,733.52 sq.m. have been granted to Hi-Standard for a term expiring on September 24, 2051 for industrial use.
3. Pursuant to a Building Ownership Certificate — Jing Fang Quan Zheng Tong Gu Zi Di No. 0802891, 3 buildings with a total gross floor area of approximately 16,688.55 sq.m. are owned by Hi-Standard.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. Hi-Standard has obtained the granted land use rights and building ownership rights of the property and can legally occupy and use the property during the use terms stipulated in the land use rights certificate; and
 - b. pursuant to a Mortgage Contract dated February 1, 2010 entered into between Hi-Standard and Industrial and Commercial Bank of China Co., Ltd. Beijing Yayuncun Branch (the “Bank”), the property is subject to a mortgage in favor of the Bank. The Group cannot donate, transfer, further mortgage or otherwise dispose of the property without prior written consent of the Bank.
5. We arrive at our opinion of the capital value of the property by disregarding the mortgage mentioned above.

VALUATION CERTIFICATE

Group II — Property interests held and occupied by the Group under concession agreements in the PRC

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
3.	Land, various buildings and structures of Shangluo City Wastewater Treatment Project located at Liuwan Industry Zone Shangzhou District Shangluo City Shaanxi Province The PRC	<p>Shangluo City Wastewater Treatment Project (the “Project”) occupies a parcel of land with a site area of approximately 30,000.15 sq.m., on which 7 buildings and various ancillary structures completed in July and August 2009 were erected.</p> <p>The buildings have a total gross floor area of approximately 2,277.13 sq.m.</p> <p>The buildings comprise a composite building, 3 industrial buildings, a substation, a bathroom and a guardhouse.</p> <p>The structures mainly include trenches, boundary fences, roads, wells and cisterns.</p>	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

- Shangluo Wastewater Treatment Co., Ltd. (“Shangluo Wastewater”, (商洛污水處理有限公司) is a wholly-owned subsidiary of the Company.
- Pursuant to a concession agreement dated July 10, 2008 entered into between the People’s Government of Shangluo City (商洛市人民政府, the “grantor”) and Beijing Sound Environment Group Co., Ltd., (北京桑德環保集團有限公司, the “operator”), (a) The grantor has authorized the concession rights to the operator’s project company in the investment, construction, operation and maintenance of the Project for a term of 25 years; (b) During the concession period, the concession rights and related interests of the Project cannot be transferred, leased, mortgaged or otherwise disposed of to other third party without prior consent from the grantor; and (c) After the concession period concludes, the operator’s project company shall hand over all the facilities of the Project to the grantor or its designated institute with no consideration.
- Pursuant to a confirmation letter entered into among the grantor, the operator, Shangluo Wastewater and Epure International Ltd. (the predecessor of the Company), Shangluo Wastewater and Epure International Ltd. have all rights and obligations stipulated in the concession agreement.
- Pursuant to a confirmation letter issued by the State-owned Land Resource Bureau of Shangluo City, Shangluo Wastewater can use the parcel of the land of the property in accordance with the use stipulated in the concession agreement and Shangluo Wastewater will not be punished before obtaining the land use rights certificate.
- Pursuant to a confirmation letter issued by the Municipal and Rural Construction Bureau of Shangluo City, Shangluo Wastewater is permitted to construct the property in accordance with the permits stipulated in the relevant construction permits and will not be punished for constructing without the relevant construction permits.

6. According to a confirmation letter issued by Property Rights Registration Office of Shangzhou District, Shangluo City (商洛市商州區房屋產權登記發證辦公室), Shangluo Wastewater is entitled to occupy and use the buildings of the property and will not be punished before obtaining the building ownership certificates.
7. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. it is a remote risk that Shangluo Wastewater is subject to penalty due to using the parcel of land of the property before obtaining relevant land use rights certificate; and
 - b. it is a remote risk that Shangluo Wastewater is subject to penalty due to constructing and using the property without relevant permits.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
4.	Land, various buildings and structures of Chang'an District Wastewater Treatment Project located at the western side of Zao River and southern side of Xibu Avenue Chang'an District Xi'an City Shaanxi Province The PRC	<p>Chang'an District Wastewater Treatment Project (the "Project") occupies a parcel of land with a site area of approximately 71,077.69 sq.m., on which 7 buildings and various ancillary structures completed in December 2008 were erected.</p> <p>The buildings have a total gross floor area of approximately 2,575.79 sq.m.</p> <p>The buildings comprise an office building, 4 industrial buildings, a substation and a guardhouse.</p> <p>The structures mainly include pump room, trenches, boundary fences, roads, wells and cisterns.</p>	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

- Xi'an Qinqing Water Co., Ltd. ("Xi'an Qinqing", 西安秦清水務有限公司) is a wholly-owned subsidiary of the Company.
- Pursuant to a concession agreement dated July 19, 2007 entered into between the People's Government of Chang'an District, Xi'an City (西安市長安區人民政府, the "grantor") and Beijing Sound Environment Group Co., Ltd. (北京桑德環保集團有限公司, the "operator"), (a) The grantor has authorized the concession rights to the operator's project company in the construction, operation and maintenance of the Project for a term of 30 years commencing from the date of commercial operation; (b) During the concession period, the concession rights and related interests of the Project cannot be transferred, leased, mortgaged or otherwise disposed to other third party without prior consent from the grantor; and (c) After the concession period concludes, the operator's project company shall hand over all the facilities of the Project to the grantor or its designated institute with no consideration.
- Pursuant to a confirmation letter entered into among the grantor, the operator, Xi'an Qinqing and Epure International Ltd. (the predecessor of the Company), Xi'an Qinqing and Epure International Ltd. have all rights and obligations stipulated in the concession agreement.
- Pursuant to a Construction Land Use Planning Permit — Xi Gui Di Zi Di (2008) No. 167 in favor of Xi'an Qinqing, the buildings of the property with a total gross floor area of approximately 3,121.6 sq.m. and structures have been approved for construction on a parcel of land with a site area of approximately 69,077.33 sq.m.
- Pursuant to a confirmation letter issued by the State-owned Land Resource Bureau of Xi'an City, Xi'an Qinqing can use the parcel of the land of the property in accordance with the use stipulated in the concession agreement and Xi'an Qinqing will not be punished before obtaining the land use rights certificate.
- Pursuant to a confirmation letter issued by the Construction Bureau of Chang'an District, Xi'an City and the Planning Bureau of Xi'an City, Xi'an Qinqing can construct the property in accordance with the permits stipulated in the concession agreement and will not be punished without the relevant construction permits.

7. Pursuant to a confirmation letter issued by the Building Administrative Bureau of Xi'an City (西安市房屋管理局), Xi'an Qinqing is permitted to occupy and use the buildings of the property and will not be punished before obtaining the building ownership certificate.
8. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. it is a remote risk that Xi'an Qinqing is subject to penalty due to using the parcel of land of the property before obtaining relevant land use rights certificate; and
 - b. it is a remote risk that Xi'an Qinqing is subject to penalty due to constructing and using the property without relevant permits.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
5.	Land, various buildings and structures of Chongzuo City Wastewater Treatment Project located in Wulongtun of Zhongdu Village Taiping Town Chongzuo City Guangxi Zhuang Autonomous Region The PRC	<p>Chongzuo City Wastewater Treatment Project (the “Project”) occupies a parcel of land with a site area of approximately 55,220.92 sq.m., on which 6 buildings and various ancillary structures completed in August 2009 were erected.</p> <p>The buildings have a total gross floor area of approximately 2,631.7 sq.m.</p> <p>The buildings comprise a composite building, 2 industrial buildings, a eatery and bathroom, a substation and a guardhouse.</p> <p>The structures mainly include pump room, trenches, wells, boundary fences, roads and cisterns.</p> <p>The land use rights of the property were allocated for public facility use.</p>	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

- Guangxi Liqing Water Co., Ltd. (“Guangxi Liqing”, 廣西漓清水務有限公司) is a wholly-owned subsidiary of the Company.
- Pursuant to a concession agreement dated April 1, 2008 entered into between the People’s Government of Chongzuo City, Guangxi Zhuang Autonomous Region (廣西壯族自治區崇左市人民政府, the “grantor”) and Beijing Sound Environment Group Co., Ltd. (北京桑德環保集團有限公司, the “operator”), (a) The grantor has authorized the concession rights to the operator in the investment, construction, operation and maintenance of the Project for a term of 26 years (including construction period); (b) During the concession period, the concession rights and related interests of the Project cannot be transferred, leased, mortgaged or otherwise disposed of to other third party without prior consent from the grantor; and (c) The operator shall hand over all the facilities of the Project to the grantor or its designated institute with no consideration on the hand-over day.
- Pursuant to a confirmation letter entered into among the grantor, the operator, Guangxi Liqing and Epure International Ltd. (the predecessor of the Company), Guangxi Liqing and Epure International Ltd. have all rights and obligations stipulated in the concession agreement.
- Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 451401200800263 in favor of Chongzuo Urban Construction and Investment, the buildings and structures of the property have been approved for construction.
- Pursuant to a State-owned Land Use Rights Certificate — Chong Guo Yong (2008) Di No. 0249, the land use rights of a parcel of land with a site area of approximately 55,220.92 sq.m. have been allocated to Chongzuo Urban Construction and Investment for public facility use.
- Pursuant to a Construction Work Commencement Permit — No. 452129200812190301 in favor of Guangxi Liqing, permission by the relevant local authority has been given to commence the construction of the property.

7. Pursuant to a document dated December 5, 2008 issued by Chongzuo Urban Construction and Investment, Chongzuo Urban Construction and Investment had transferred the land use right of the property to the operator with no consideration up to the concession agreement termination and the operator could occupy and use the land in accordance with the use stipulated in the concession agreement.
8. Pursuant to a confirmation letter, the State-owned Land Resource Bureau of Chongzuo City have permitted Chongzuo Urban Construction and Investment to transfer the land use rights of the property to Guangxi Liqing with no consideration during the concession period and Guangxi Liqing will not be punished for use and occupancy of the property.
9. Pursuant to a confirmation letter issued by the Chongzuo Housing Administrative Bureau (崇左市房產管理局), Guangxi Liqing is permitted to occupy and use the buildings and structures of the property, and will not be punished before obtaining the building ownership certificate.
10. Pursuant to a confirmation letter issued by the Municipal Construction Bureau of Chongzuo City and the Planning Bureau of Chongzuo City, Guangxi Liqing can construct the property and will not be punished due to the lack of relevant permits.
11. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Guangxi Liqing can use the parcel of land of the property with no consideration during the concession period; and
 - b. it is a remote risk that Guangxi Liqing is subject to penalty due to using the buildings of the property without completion inspection permits.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at July 31, 2010</u> <i>RMB</i>
6.	Land, various buildings and structures of Jiangyan City Wastewater Treatment Project located at No. 23 Zu of Chengbei Village Jiangyan Town Jiangyan City Jiangsu Province The PRC	<p>Jiangyan City Wastewater Treatment Project (the "Project") comprises two phases, Phase I occupies a parcel of land with a site area of approximately 37,160.2 sq.m., on which 7 buildings and various ancillary structures completed in 2005 were erected.</p> <p>The buildings have a total gross floor area of approximately 3,160.6 sq.m.</p> <p>The buildings comprise a composite building, an office building, 4 industrial buildings and a guardhouse.</p> <p>The structures mainly include pump, pools, boundary fences, roads and gates.</p> <p>Phase II is currently a parcel of vacant land with a site area of approximately 15,984 sq.m.</p> <p>The land use rights of Phase I of the Project were allocated for public facility use.</p>	Phase I is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

- Jiangyan Jiangyuan Wastewater Treatment Co., Ltd. ("Jiangyan Jiangyuan", 姜堰姜源污水处理有限公司) is a 50.2% owned subsidiary of the Company.
- Pursuant to a concession agreement dated September 5, 2009 entered into among the Construction Bureau of Jiangyan City (姜堰市建设局, the "grantor"), Jiangyan Urban Wastewater Treatment Limited ("Jiangyan Urban Wastewater", the other shareholder of Jiangyan Jiangyuan, 姜堰市城区污水处理有限公司) and the Company, (a) The grantor has authorized the concession rights in the administration, operation and maintenance of the Project and the design, construction and operation of its expansion project to Jiangyan Jiangyuan for a term of 25 years commencing from the day of commercial operation; and (b) After the concession period concludes, the project company shall hand over all the facilities of this project to the grantor with no consideration.
- Pursuant to a Construction Land Use Planning Permit — Di Zi Di No. 2009041 in favor of Jiangyan Urban Wastewater, Phase II of the property has been approved for construction on a parcel of land with a site area of approximately 15,984 sq.m.
- Pursuant to a State-owned Land Use Rights Certificate — Jiang Guo Yong (2010) Di No. 938, the land use rights of phase I of the Project with a site area of approximately 37,160.2 sq.m. have been allocated to Jiangyan Jiangyuan for public facility use for a term consistent with the concession period.

5. Pursuant to a Building Ownership Certificate — Jiang Fang Quan Zheng Jiang Yan Zi Di No. 80009494, the buildings of phase I of the Project with a total gross floor area of approximately 3,160.6 sq.m. are owned by Jiangyan Jianguyuan.
6. Pursuant to a confirmation letter issued by the State-owned Land Resource Bureau of Jiangyan City, Jiangyan Jianguyuan can use the parcel of the land of the property with a site area of approximately 15,984 sq.m. in accordance with the use stipulated in the concession agreement and Jiangyan Jianguyuan will not be punished before obtaining the land use rights certificate.
7. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. the land use rights of the Phase I of the Project have been allocated to Jiangyan Jianguyuan, and Jiangyan Jianguyuan is entitled to use the land in accordance with the use stipulated in the concession agreement before the land use right term expires;
 - b. Jiangyan Jianguyuan has obtained the building ownership of Phase I of the Project, and Jiangyan Jianguyuan is entitled to use the buildings in accordance with the use stipulated in the concession agreement during the effective term of the land use rights certificate and building ownership certificate; and
 - c. it is a remote risk that Jiangyan Jianguyuan will be subject to penalty due to using the parcel of the land of Phase II with a site area of approximately 15,984 sq.m. before obtaining relevant land use rights certificate.
8. We have relied on the aforesaid legal opinion and attributed no commercial value to the property. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings and structures of the property would be in the sum of RMB17,222,000, assuming all relevant proper title certificates had been obtained and they could be freely transferred.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
7.	Land, various buildings and structures of Hancheng City Wastewater Treatment Project located at No. 1 Zu of Hedu Village New District Hancheng City Shaanxi Province The PRC	<p>Hancheng City Wastewater Treatment Project (the “Project”) occupies a parcel of land with a site area of approximately 38,628 sq.m., on which 10 buildings and various ancillary structures completed in December 2009 and May 2010 were erected.</p> <p>The building have a total gross floor area of approximately 1959.01 sq.m.</p> <p>The buildings comprise a composite building, a substation 8 industrial buildings.</p> <p>The structures mainly include trenches, wells and cisterns.</p>	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

1. Hancheng City Yiqing Water Co., Ltd. (“Hancheng Yiqing”, 韓城市頤清水務有限公司) is a wholly-owned subsidiary of the Company.
2. Pursuant to a concession agreement dated October 21, 2008 entered into between Municipal and Rural Construction Bureau of Hancheng City (韓城市城鄉建設局, the “grantor”) and Beijing Sound Environment Group Co., Ltd. (北京桑德環保集團有限公司, the “operator”), (a) The grantor has authorized the concession rights to the operator’s project company in the design, construction, operation and maintenance of the Project for a term of 27 years from the date of commercial operation (including the construction period); (b) During the concession period, the land use rights, concession rights and related interests of the Project cannot be transferred, leased or mortgaged to other third party without prior consent from the grantor (except for financing purpose); and (c) After the concession period concludes, the operator’s project company shall hand over all the facilities of the Project to the grantor or its designated institute with no consideration.
3. Pursuant to a confirmation letter entered into among the grantor, the operator, Hancheng Yiqing and Epure International Ltd. (the predecessor of the Company), Hancheng Yiqing and Epure International Ltd. have all rights and obligations stipulated in the concession agreement.
4. Pursuant to a confirmation letter issued by the State-owned Land Resource Bureau of Hancheng City, Hancheng Yiqing can use the parcel of the land of the property in accordance with the use stipulated in the concession agreement and Hancheng Yiqing will not be punished before obtaining the land use rights certificate.
5. Pursuant to a confirmation letter issued by the Municipal and Rural Construction Bureau of Hancheng City, Hancheng Yiqing can construct the property in accordance with the permits stipulated in the concession agreement and will not be punished for constructing without the relevant construction permits.
6. We have been provided with a legal opinion regarding the property related interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. it is a remote risk that Hancheng Yiqing is subject to penalty due to using the parcel of land of the property before obtaining relevant land use rights certificate; and
 - b. it is a remote risk that Hancheng Yiqing is subject to penalty due to constructing and using the property without relevant permits.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of July 31, 2010 RMB
8.	Land, various buildings and structures of Jingbian County Wastewater Treatment Project located at the northeast side of Xinshiji Gas Station on Longshan Road Jingbian County Yulin City Shaanxi Province The PRC	Jingbian County Wastewater Treatment Project (the "Project") occupies a parcel of land with a site area of approximately 25,721.4 sq.m., on which 15 buildings and various ancillary structures completed in October 2010 were erected. The buildings have a total gross floor area of approximately 1,382.15 sq.m. The buildings comprise a composite building, a substation and 13 industrial buildings. The structures mainly include trenches boundary fences, roads, wells and cisterns.	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

1. Yulin City Jingzhou Water Co., Ltd. ("Yulin Jingzhou", 榆林市靖州水務有限公司) is a wholly-owned subsidiary of the Company.
2. Pursuant to a concession agreement dated December 11, 2008 entered into between the People's Government of Jingbian County (靖邊縣人民政府, the "grantor") and Beijing Sound Environment Group Co., Ltd. (北京桑德環保集團有限公司, the "operator"), (a) The grantor has authorized the concession rights to the operator's project company for a term of 20 years commencing from the date of commercial operation; and (b) After the concession period concludes, the project company shall hand over all the facilities of this project to the grantor with no consideration.
3. Pursuant to a confirmation letter entered into among the grantor, the operator, Yulin Jingzhou and Epure International Ltd. (the predecessor of the Company), Epure International Ltd. and Yulin Jingzhou have all rights and obligations stipulated in the concession agreement.
4. Pursuant to a Construction Land Use Planning Permit — Di Zi Di No. 610824200900045 in favor of Jingbian County Environmental Protection Bureau (靖邊縣環保局), the buildings with a total gross floor area of approximately 1,485.5 sq.m. and the structures of the property have been approved for construction on a parcel of land with a site area of approximately 25,721.4 sq.m. for environmental protection greenbelt use (防護綠地).
5. Pursuant to a Construction Work Planning Permit — Di Zi Di No. 610824200900030 in favor of Jingbian County Environmental Protection Bureau (靖邊縣環保局), the buildings with a total gross floor area of approximately 1,485.5 sq.m. and the structures of the property have been approved for construction.

6. Pursuant to a confirmation letter issued by the State-owned Land Resource Bureau of Jingbian County, Yulin Jingzhou can use the parcel of the land of the property in accordance with the use stipulated in the concession agreement and Yulin Jingzhou will not be punished before obtaining the land use rights certificate.
7. Pursuant to a confirmation letter issued by the Construction Bureau of Jingbian County, Yulin Jingzhou is entitled to construct the property in accordance with the permits stipulated in the relevant permit and will not be punished by constructing without the relevant permits.
8. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. it is a remote risk that Yulin Jingzhou is subject to penalty due to using the parcel of land of the property before obtaining relevant land use rights certificates; and
 - b. it is a remote risk that Yulin Jingzhou is subject to penalty due to constructing and using the property without the relevant permits.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
9.	Land, various buildings and structures of Hu County Wastewater Treatment Project located at the eastern side of Lao River and western side of Nanhetou Village Ganting Town Hu County Xi'an City Shaanxi Province The PRC	<p>Hu County Wastewater Treatment Project (the "Project") occupies a parcel of land with a site area of approximately 62,866.98 sq.m., on which 7 buildings and various ancillary structures completed between April 2008 and December 2009 were erected.</p> <p>The buildings have a total gross floor area of approximately 1,856.16 sq.m.</p> <p>The buildings comprise a composite building, 3 industrial buildings, 2 substations and a guard house.</p> <p>The structures mainly include trenches, wells, cisterns roads and boundary fences.</p>	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

- Xi'an Huqing Water Co., Ltd. ("Xi'an Huqing", 西安戶清水務有限公司) is a wholly-owned subsidiary of the Company.
- Pursuant to a concession agreement dated July 26, 2007 entered into between the People's Government of Hu County, Xi'an City, Shaanxi Province (陝西省西安市戶縣人民政府, the "grantor") and Beijing Sound Environment Group Co., Ltd. (北京桑德環保集團有限公司, the "operator"), (a) The grantor has authorized the concession rights to the operator in the investment, design, construction, operation and maintenance of the Project for a term of 30 years from the date of commercial operation (including the construction period); and (b) After the concession period concludes, the operator shall hand over all the facilities of this project to the grantor with no consideration.
- Pursuant to a confirmation letter entered into among the grantor, the operator, Xi'an Huqing and Epure International Ltd. (the predecessor of the Company), Xi'an Huqing and Epure International Ltd. have all rights and obligations stipulated in the concession agreement.
- Pursuant to a Construction Land Use Planning Permit — 200837 in favor of Xi'an Huqing, the property has been approved for construction on a parcel of land with a site area of approximately 62,866.67 sq.m.
- Pursuant to a Construction Work Planning Permit — 200904 in favor of Xi'an Huqing, the buildings and structures of the property have been approved for construction.
- Pursuant to a Construction Work Commencement Permit — 2009 Nian Di No. 028 in favor of Xi'an Huqing, permission by the relevant local authority has been given to commence the construction of the property.
- Pursuant to a confirmation letter issued by the State-owned Land Resource Bureau of Hu County, the land use rights of the property will be granted to Xi'an Huqing and Xi'an Huqing will not be punished before obtaining the land use rights certificate.

8. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. it is a remote risk that Xi'an Huqing is subject to penalty due to using the parcel of land of the property before obtaining relevant land use rights certificate;
 - b. Xi'an Huqing is entitled to construct the property in accordance with the permits stipulated in the Construction Work Planning and Commencement Permits; and
 - c. it is a remote risk that Xi'an Huqing is subject to penalty due to using the property without relevant permits.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
10.	Land, various buildings and structures of Jiangyan Qinhu Wastewater Treatment Project located in Longgang Village Qintong Town Jiangyan City Jiangsu Province The PRC	<p>Jiangyan Qinhu Wastewater Treatment Project (the "Project") occupies a parcel of land with a site area of approximately 8,046.71 sq.m., on which 7 buildings and various structures completed in May 2010 were erected.</p> <p>The buildings have a total gross floor area of approximately 1,031 sq.m. The buildings comprise a composite building, a submain and 5 industrial buildings.</p> <p>The structures mainly include trenches, wells and cisterns.</p>	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

1. Jiangyan Jianguan Wastewater Treatment Co., Ltd. ("Jiangyan Jianguan", 姜堰姜源污水处理有限公司) is a 50.2% owned subsidiary of the Company.
2. Pursuant to a concession agreement dated September 5, 2009 entered into among the Construction Bureau of Jiangyan City (姜堰市建設局, the "grantor"), Jiangyan Urban Wastewater Treatment Limited ("Jiangyan Urban Wastewater", one of the Jiangyan Jianguan's shareholders, 姜堰市城區污水處理有限公司) and the Company, (a) The grantor has authorized the concession rights in the administration, operation and maintenance of the Project and the design, construction and operation of its expansion project to the project company jointly incorporated by Jiangyan Urban Wastewater and the Company for a term of 25 years commencing from the date of commercial operation; and (b) After the concession period concludes, the project company shall hand over all the facilities of this project to the grantor with on consideration.
3. Pursuant to a confirmation letter issued by the State-owned Land Resource Bureau of Jiangyan City, Jiangyan Jianguan can use the parcel of the land of the property in accordance with the use stipulated in the concession agreement and Jiangyan Jianguan will not be punished before obtaining the land use rights certificate.
4. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. it is a remote risk that Jiangyan Jianguan is subject to penalty due to using the parcel of land of the property before obtaining relevant land use rights certificate; and
 - b. it is a remote risk that Jiangyan Jianguan is subject to penalty due to constructing the property without relevant permits.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
11.	Land, various buildings and structures of Anyang City Wastewater Treatment Project located in Zong Village Tiexi Road Long'an District Anyang City Henan Province The PRC	<p>Anyang City Wastewater Treatment Project a parcel of land with a site area of approximately 79,728.1 sq.m., on which 7 buildings and various ancillary structures completed in April 2008 and November 2009 were erected .</p> <p>The buildings have a total gross floor area of approximately 5,072 sq.m.</p> <p>The buildings comprise 2 office buildings and 5 industrial buildings.</p> <p>The structures mainly include trenches, wells and cisterns.</p> <p>The land use rights of the property were allocated for sewage disposal use.</p>	The property is currently occupied by the Group for office and production purposes.	No commercial value

Notes:

- Anyang Mingbo Water Co., Ltd. (“Anyang Mingbo”, 安陽明波水務有限公司) is a wholly-owned subsidiary of the Company.
- Pursuant to a concession agreement entered into between Anyang Urban Construction and Investment Company Limited (安陽市城市建設投資有限公司, the “grantor”) and Beijing Sound Environment Group Co., Ltd. (北京桑德環保集團有限公司, the “operator”), (a) The grantor has authorized the concession rights to the operator’s project company in the investment, construction and operation of the Project for a term of 25 years commencing from the date of commercial operation; (b) During the concession period, the land use rights, concession rights and related interests of the Project cannot be transferred, leased or mortgaged to other third party without prior consent from the grantor (except for financing purpose); and (c) After the concession period concludes, the operator’s project company shall hand over all the facilities of the Project to the grantor or its designated institute with no consideration.
- Pursuant to a confirmation letter entered into among the grantor, the operator, Anyang Mingbo and Epure International Ltd. (the predecessor of the Company), Anyang Mingbo and Epure International Ltd. have all rights and obligations stipulated in the concession agreement.
- Pursuant to a State-owned Land Use Rights Certificate — An Guo Yong (51) Di No. 1168, the land use rights of a parcel of land with a site area of approximately 79,728.1 sq.m. have been allocated to Anyang Water Group Corporation (安陽水務集團公司) for sewage disposal factory use.
- Pursuant to a Construction Land Use Planning Permit — An Gui Guan Di Zi (2005) No.18 in favor of Anyang Water Head Corporation (安陽水務總公司), the property has been approved for construction on a parcel of land with a site area of approximately 80,037 sq.m.
- Pursuant to a confirmation letter, Anyang Water Group Corporation and the State-owned Land Resource Bureau of Anyang City have permitted Anyang Water Group Corporation to transfer the land use rights

of the property to Anyang Mingbo with no consideration during the concession period and Anyang Mingbo will not be punished for use and occupancy of the land.

7. Pursuant to a confirmation letter issued by the Anyang Construction Commission (安陽市建設委員會) and Anyang Urban Planning and Management Bureau (安陽市城市規劃管理局), Anyang Mingbo is permitted to construct the property and Anyang Mingbo will not be punished without the relevant construction certificates.
8. We have been provided with a legal opinion regarding the property related interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Anyang Mingbo can use the parcel of land of the property with no consideration during the concession period; and
 - b. it is a remote risk that Anyang Mingbo is subject to penalty due to constructing the property without relevant permits.

VALUATION CERTIFICATE

Group III — Property interests rented and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
12.	7 leased properties located in the PRC	<p>The properties comprise 7 buildings and units in the PRC which were mainly completed in various stages between 1988 and 2004.</p> <p>The properties have an aggregate lettable area of approximately 2,638.5 sq.m.</p> <p>The properties are leased or lent to the Group (the “Tenant”) from various independent third parties (the “Lessors”) for various terms with the expiry dates between July 31, 2010 and September 15, 2019.</p>	The properties are currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to various Tenancy Agreements, 5 buildings and units with a total lettable area of approximately 2,397.5 sq.m. are leased to the Group from various independent third parties for various terms with the expiry dates between July 31, 2010 and June 18, 2012 at a total annual rent of RMB549,600 for office use.
2. Pursuant to a Lending Agreement, a unit with a lettable area of approximately 121 sq.m. is lent to the Group from Economic-Technological Head Office of Fushun Economic Development Zone (撫順經濟開發區經濟技術總公司) for a term expiring on September 15, 2019 for office use.
3. Pursuant to a Confirmation Letter, a building with a lettable area of approximately 120 sq.m. is provided by an independent third party for the Group to use for a term expiring on February 7, 2011 at nil rent.
4. We have been provided with a legal opinion on the legality of the Agreements and Letter mentioned above to the properties issued by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. the Tenancy Agreements mentioned in note 1 and Lending Agreement mentioned in note 2 are legal, valid and binding;
 - b. the Lessors have the rights to lease or lend the properties mentioned in notes 1 and 2 to the Group;
 - c. the lack of the lease registration would not affect the validity of the Tenancy Agreements mentioned in note 1; and
 - d. for the building mentioned in note 3, the Group may not be able to use the building legally.

VALUATION CERTIFICATE

Group IV — Property interest rented and occupied by the Group in Singapore

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of July 31, 2010 RMB</u>
13.	#14-04 PSA Building 460 Alexandra Road Singapore 119963	<p>The property comprises an office unit on the 14 floor of a 42-storey office building completed in about 1986.</p> <p>The property has a lettable area of approximately 238 sq.m.</p> <p>The property is leased to Epure International Ltd. (the predecessor of the Company) from Heliconia Realty Pte. Ltd. (an independent third party) for a term of 3 years expiring on March 31, 2012 at a monthly rent of SGD18,885.3, exclusive of management fees.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

- Pursuant to a Tenancy Agreement, the property with a lettable area of approximately 238 sq.m. is leased to Epure International Ltd. (the predecessor of the Company) from Heliconia Realty Pte. Ltd. for a term of 3 years expiring on March 31, 2012 at a monthly rent of SGD18,885.3, exclusive of management fees.