

The following is the text of a letter, summary of valuations and valuation certificates issued by DTZ Debenham Tie Leung Limited, an independent property valuer, prepared for the purpose of incorporation in this prospectus in connection with its valuations of the properties held by the Group as at 31 October, 2006.



10th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

11 December, 2006

The Directors
Haitian International Holdings Limited
No. 32 Jiangnan Road Central
Ningbo City 315821
Zhejiang Province
The PRC

Dear Sirs,

In accordance with your instructions for us to value the properties held by Haitian International Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) in the People’s Republic of China (the “PRC”), Hong Kong and Italy as listed in the attached summary of valuations, we confirm that we have carried out inspections, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the values of such properties as at 31 October, 2006 (the “date of valuation”).

Unless otherwise stated, our valuation of each property represents its market value which in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors is defined as “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.”

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (First Edition 2005) issued by the Hong Kong Institute of Surveyors.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses 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 any onerous nature which could affect their values.

Regarding Property Nos. 1 to 10 in Group I which are owned and occupied by the Group in the PRC, respectively, due to the specific nature of the buildings and structures, there are no readily identifiable market sales comparables and the buildings and structures cannot be valued by comparison with appropriate market transactions. Therefore, we have adopted the Depreciated Replacement Cost (“DRC”) Approach in valuing the property interests. The DRC Approach requires a valuation of the market value of the land in its existing use and an estimate of the new replacement cost of the buildings and structures, from which deductions are then made to allow for the age, condition and functional obsolescence. The DRC Approach generally furnishes the most reliable indication of value for property in the absence of a known market based on comparable sales.

Regarding Property Nos. 11 and 12 which is owned and occupied by the Group or is contracted to be acquired by the Group, we have valued them by the Direct Comparison Method by making reference to comparable sales transactions as available in the relevant market.

The properties in Groups III and IV which are leased to the Group in the PRC and Italy respectively have no commercial values due to prohibition of assignment or sub-letting or lack of substantial profit rents.

We have been provided with copies of extract of documents in relation to the title to the owned properties and copies of tenancy agreements in relation to the leased properties. However, we have not searched the original documents to ascertain ownership or to verify any amendments which may not appear on the copies handed to us but have relied upon the information given to us by the Group in the respect of the Group’s interest in the properties. In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and other related parties and have accepted advice given to us on such matters as planning approvals or statutory notice, easements, tenure, identification of properties, completion dates of buildings, particulars of occupancy, site and floor areas, site and floor plans and all other relevant matters.

Dimensions, measurements and areas included in the attached valuation certificates are based on information provided to us and are therefore only approximations. We have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of the documents handed to us are correct. We have had no reasons to doubt the truth and accuracy of the information provided to us by you which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided. No on-site measurement has been taken.

In the course of our valuation of the properties in the PRC, we have assumed that the transferable land use rights of the properties for respective specific terms at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have assumed that the grantees or the users of the properties have free and uninterrupted rights to use or to assign the properties for the whole of the respective

unexpired terms as granted. We have relied on the advice given by the Group and the Group's PRC legal counsel, Jingtian & Gongcheng, regarding PRC law and the title to each of the properties.

We have inspected the exterior and, wherever possible, the interior of each of the properties. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no unexpected costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not been, however, able to report whether the properties are free of rot, infestation or other structural defects. No test was carried out on any of the services.

Unless otherwise stated, all sums stated in our valuations are in Renminbi, the official currency of the PRC as at the date of valuation. The exchange rate adopted in our valuation is approximately HK\$1 = RMB1.02 which was approximately the prevailing exchange rate as at the date of valuation.

We enclose herewith a summary of our valuations and our valuation certificates.

Yours faithfully,

for and on behalf of

DTZ Debenham Tie Leung Limited

Andrew K. F. Chan

Registered Professional Surveyor (General Practice Division)

China Real Estate Appraiser

MSc., R.P.S. (GP), M.H.K.I.S., M.R.I.C.S.

Director

Notes: Mr. Andrew Chan is a Registered Professional Surveyor and a Member of the Royal Institution of Chartered Surveyors, which is a global recognised professional qualification. Mr. Chan has over 18 years of experience in the valuation of properties in Hong Kong, the PRC and overseas countries.

SUMMARY OF VALUATIONS

Property	Capital value in existing state as at 31 October, 2006 RMB
Group I — Properties owned and occupied by the Group in the PRC	
1. An industrial complex situated at No. 45 Fengyangsan Road, Dagang Industrial City, Beilun District, Ningbo City, Zhejiang Province, the PRC	73,000,000
2. An Industrial complex situated at No. 35 Laoshan Road, Dagang Industrial City, Beilun District, Ningbo City, Zhejiang Province, the PRC	24,000,000
3. An industrial complex situated at No. 1 Nanhuan Road, Ningbo Export Production Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	57,000,000
4. An industrial complex situated in Xiexi Industrial Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	15,400,000
5. An industrial complex situated at No. 32 and No. 35 Jiangnan Road Central, Yaqian Village, Xiaogang Town, Beilun District, Ningbo City, Zhejiang Province, the PRC	128,000,000
6. An industrial complex situated at No. 19 Yazhu Road, Yaqian Village, Xiaogang Town, Beilun District, Ningbo City, Zhejiang Province, the PRC	13,000,000
7. An industrial complex situated at No. 32 Jiangnan Road Central, Xiaogang Town, Beilun District, Ningbo City, Zhejiang Province, the PRC	70,000,000
8. An industrial building at the junction of Fengyangsan Road and Changbaishan Road, Dagang Industrial City, Beilun District, Ningbo City, Zhengjiang Province, the PRC	16,000,000

Property	Capital value in existing state as at 31 October, 2006 RMB
9. An under construction industrial building situated on land lot No. B4-D, State High-tech Development Zone, Wuxi New Area, Wuxi City, Jiangsu Province, the PRC	18,000,000
10. An industrial complex situated at No. 12, Dongsheng Industrial Estate, Shiqiao Town, Panyu District, Guangzhou, Guangdong Province, the PRC	31,000,000
11. 24 flats in Block No. 26 of Donghua Garden, Shiji Town, Panyu District, Guangzhou, Guangdong Province, the PRC	9,800,000
Sub-total:	<u>455,200,000</u>
Group II — Property contracted to be acquired by the Group in Hong Kong	
12. Unit 5 on Level 11 of Tower II, Metroplaza, No. 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong	6,120,000
Sub-total:	<u>6,120,000</u>
Group III — Properties leased to the Group in the PRC	
13. First Level of Block No. 3 of No. 20 Jiangnan Road Central, Jiangnan Industrial Trade Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	No commercial value
14. 3rd and 6th to 8th Levels of Main Building and 2nd to 3rd Levels of Podium of No. 32 Jiangnan Road Central, Jiangnan Industrial Trade Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	No commercial value

Property	Capital value in existing state as at 31 October, 2006 RMB
15. An industrial complex situated on Xinzhai Road, Shuofang Town, Wuxi New Area, Wuxi City, Jiangsu Province, the PRC	No commercial value
16. 6th Floor, Huaxing Building, No. 58 Xueyuan Road, Hangzhou City, Zhejiang Province, the PRC	No commercial value
Sub-total:	<u>No commercial value</u>
Group IV — Properties leased to the Group in Italy	
17. Via Brodolini 15, Cazzago San Martino (BS), Italy	No commercial value
18. Via Vighenzi 5, Rovato, (BS) Italy	No commercial value
Sub-total:	<u>No commercial value</u>
Grand Total:	<u><u>461,320,000</u></u>

VALUATION CERTIFICATE

Group I — Properties owned and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
1. An industrial complex situated at No. 45 Fengyangsan Road, Dagang Industrial City, Beilun District, Ningbo City, Zhejiang Province, the PRC	The property comprises an industrial complex erected upon a plot of land with a total site area of approximately 91,206.46 sq.m. (981,746 sq.ft.). The industrial complex comprises a dormitory building, three workshop buildings, a guard room, a power room and an auxiliary building and has a total gross floor area of approximately 54,576.98 sq.m. (587,466 sq.ft.). Except workshop building No. 3 was completed in 2005, the remaining portions of the property were all completed in 2002. The land use rights of the property have been granted for a term due to expire on 9 May, 2051 for industrial use.	The property is currently occupied by the Group for industrial use.	RMB73,000,000

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2001) 1640 dated 23 May, 2001, the land use rights of the property comprising a site area of 91,206.46 sq.m. have been granted to 寧波大港海天機械有限公司 (Ningbo Dagang Haitian Machinery Co. Ltd), now known as 寧波海天塑機集團有限公司 (Ningbo Haitian Plastic Injection Machinery Group Limited) (“Haitian Machinery”), for a term due to expire on 9 May, 2051 for industrial use.
- (2) According to Contract for Grant of State-owned Land Use Rights No. (2000) 09 entered into between Economy and Technology Development Zone Branch of Ningbo Land Administration Bureau (“Party A”) and Ningbo Haitian Holdings Co., Ltd., (“Party B”) on 20 March, 2000, and its supplementary agreements, the land use rights of the property comprising a site area of approximately 91,206 sq.m. have been granted to Ningbo Haitian Holdings Co., Ltd., for a term of 50 years for industrial use.
- (3) According to Building Ownership Certificate No. 2006003897 issued on 7 April, 2006, the building ownership of the property has been vested in 寧波大港海天機械有限公司 (Ningbo Dagang Haitian Machinery Co. Ltd), now known as Haitian Machinery with details as follows:

Block No.	Use	Building	No. of Storey	Gross Floor Area (sq.m.)
1	Non-residential	Auxiliary Building	1	186.54
2 and 4	Non-residential	Guard Room and Power Room	2	1,330.90
3 and 6	Non-residential	Workshop Building No. 1 & 2	1	43,819.82
5	Non-residential	Dormitory Building	6	4,180.77
7	Non-residential	Workshop Building No. 3	3	<u>5,058.95</u>
			Total:	<u><u>54,576.98</u></u>

- (4) According to Business Licence No. 005102 dated 18 October, 2006, Haitian Machinery was a foreign owned enterprise with a registered capital of USD15 million for a valid operation period from 23 February, 2001 to 22 February, 2019.
- (5) According to the PRC legal opinion:
 - (i) Haitian Machinery has obtained the land use rights of the property for a term due to expire on 9 May, 2051 for industrial use with a total site area of approximately 91,206.46 sq.m.
 - (ii) Haitian Machinery has obtained the building ownership of the property with a total gross floor area of approximately 54,576.98 sq.m.
 - (iii) The property is not subject to any mortgage and other parties' interest.
 - (iv) Haitian Machinery can transfer, lease or mortgage the property.
- (6) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights and its supplementary agreement	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
2. An Industrial complex situated at No. 35 Laoshan Road, Dagang Industrial City, Beilun District, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon a plot of land with a total site area of approximately 33,339.82 sq.m. (358,870 sq.ft.).</p> <p>The industrial complex comprises a workshop building and two guard rooms, all completed in 2003 with a total gross floor area of approximately 17,517.45 sq.m. (188,558 sq.ft.).</p> <p>The land use rights have been granted for a term due to expire on 1 November, 2052 for industrial use.</p>	The property is currently occupied by the Group for industrial use.	RMB24,000,000

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2002) 4755 dated 8 November, 2002, the land use rights of the property comprising a site area of 33,339.82 sq.m. have been granted to 寧波天新大港機械有限公司 (Ningbo Tianxin Dagang Machinery Co. Ltd.) ("Tianxin Dagang"), for a term due to expire on 1 November, 2052 for industrial use.
- (2) According to Contract for Grant of State-owned Land Use Rights No. (2002) 100 entered into between Economy and Technology Development Zone Branch of Ningbo Land Administrative Bureau ("Party A") and Tianxin Dagang ("Party B") on 25 September, 2002, and its supplementary agreement, the land use rights of the property comprising a site area of approximately 33,340 sq.m. have been granted to Tianxin Dagang, for a term of 50 years for industrial use for a consideration of RMB2,500,500.
- (3) According to Building Ownership Certificate No. 2006002174 issued on 24 February, 2006, the building ownership of the property has been vested in Tianxin Dagang, with details as follows:

Block No.	Use	Building Name	No. of Storey	Gross Floor Area sq.m.
1	Non-residential	Guard Room	1	42.84
2	Non-residential	Workshop Building	1	17,173.75
3	Non-residential	Guard Room	2	300.86
Total:				<u>17,517.45</u>

- (4) According to Business Licence No. 006359 dated 29 April, 2006, Tianxin Dagang was a joint venture enterprise with a registered capital of USD6 million for a valid operation period from 29 August, 2002 to 28 August, 2013.
- (5) According to the PRC legal opinion:
 - (i) Tianxin Dagang has obtained the land use rights of the property for a term due to expire on 1 November, 2052 for industrial use with a total site area of approximately 33,339.82 sq.m.
 - (ii) Tianxin Dagang has obtained the building ownership of the property with a total gross floor area of approximately 17,517.45 sq.m.

- (iii) The property is not subject to any mortgage and other parties' interest.
- (iv) Tianxin Dagang can transfer, lease or mortgage the property.
- (6) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
3. An industrial complex situated at No. 1 Nanhuan Road, Ningbo Export Production Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon a plot of land with a total site area of approximately 56,692 sq.m. (610,233 sq.ft.).</p> <p>The industrial complex comprises a workshop building and an office building, all completed on 2005 with a total gross floor area of approximately 38,242.43 sq.m. (411,642 sq.ft.).</p> <p>The land use rights have been granted for a term due to expire on 30 April, 2056 for industrial use.</p>	The property is currently occupied by the Group for industrial use.	RMB57,000,000

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2006) 0029 dated 30 April, 2006, the land use rights of the property comprising a site area of 56,692 sq.m. have been granted to 寧波海天集團機械製造有限公司 (Ningbo Haitian Group Machinery Manufacturing Co. Ltd.) now known as 寧波海天華遠機械有限公司 (Ningbo Haitian Huayuan Co., Ltd.) ("Haitian Huayuan"), for a term due to expire on 30 April, 2056 for industrial use.
- (2) According to Contract for Grant of State-owned Land Use Rights (2004) 100 entered into between Land Administrative Bureau of Beilun District ("Party A") and Haitian Huayuan ("Party B") on 16 September, 2004, the land use rights of the property comprising a site area of approximately 56,692 sq.m. have been granted to 寧波海天集團機械製造有限公司 (Ningbo Haitian Group Machinery Manufacturing Co. Ltd.) now known as Haitian Huayuan, for a term of 50 years for industrial use for a consideration of RMB13,606,080.
- (3) According to Building Ownership Certificate No. 20060054 issued on 30 April, 2006, the building ownership of the property has been vested in 寧波海天集團機械製造有限公司 (Ningbo Haitian Group Machinery Manufacturing Co. Ltd.) now known as Haitian Huayuan, with details as follows:

Block No.	Use	No. of Storey	Gross Floor Area sq.m.
1	Office	3	2,954.16
2	Workshop	1	<u>35,288.27</u>
Total:			<u><u>38,242.43</u></u>

- (4) According to Business Licence No. 008533 dated 20 October, 2006, Haitian Huayuan was a joint venture enterprise with a registered capital of USD18 million for a valid operation period from 26 August, 2004 to 25 August, 2017.
- (5) According to the PRC legal opinion:
 - (i) Haitian Huayuan has obtained the land use rights of the property for a term due to expire on 30 April, 2056 for industrial use with a total site area of approximately 56,692 sq.m.
 - (ii) Haitian Huayuan has obtained the building ownership of the property with a total gross floor area of approximately 38,242.43 sq.m.

- (iii) The property is not subject to any mortgage and other parties' interest.
- (iv) Haitian Huayuan can transfer, lease or mortgage the property.
- (6) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
4. An industrial complex situated in Xiexi Industrial Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon three plots of land with a total site area of approximately 20,615.39 sq.m. (221,904 sq.ft.).</p> <p>The industrial complex comprises two workshop buildings, a dormitory building, a plant building and a guard building with a total gross floor area of approximately 11,781.02 sq.m. (126,810 sq.ft.).</p> <p>Workshop building phase I was completed in 1998 with a gross floor area of approximately 4,414 sq.m. (47,512 sq.ft.). Workshop building phase II was completed in 2002 with a gross floor area of approximately 5,282.62 sq.m. (56,862 sq.ft.). Dormitory building and the two ancillary buildings were completed in 2002 with a total gross floor area of approximately 2,084.4 sq.m. (22,436 sq.ft.).</p> <p>The land use rights have been granted for a term of 50 years due to expire for various terms for industrial use.</p>	The property is currently occupied by the Group for industrial use.	RMB15,400,000

Notes:

- (1) According to three Certificates for the Use of State-owned Land, the land use rights of the property have been granted to 寧波大榭開發區海天機械有限公司 (Ningbo Daxie Development Zone Haitian Machinery Co. Ltd.) ("Daxie Haitian"), for industrial use with details as follows:

Certificate No.	Date of Issuance	Lot Number	Site Area	Expiry Date of Land Use Term
(99) 096	30 March, 1999	12	7,713.00	3 March, 2048
(2002) 0420	15 November, 2002	07-05	9,313.30	17 February, 2050
(2005) 1873	8 August, 2005	18	<u>3,589.09</u>	9 November, 2050
		Total:	<u>20,615.39</u>	

- (2) According to three Building Ownership Certificate Nos. 99098, 200600178 and 200600234, the building ownership of the property has been vested in Daxie Haitian, with details as follows:

Certificate No.	Date of issuance	No. of building	Use	No. of Storey	Gross Floor Area (sq.m.)
99098	30 March, 1999	1	Not available	1	4,414.00
200600178	30 March, 2006	1	Industrial	1	5,282.62
200600234	30 April, 2006	3	Industrial	4	<u>2,084.40</u>
		Total:			<u>11,781.02</u>

- (3) According to the PRC legal opinion:
- (i) Daxie Haitian has obtained the land use rights of the property for a term due to expire on 3 March, 2048, 17 February, 2050 and 9 November, 2050 for industrial use with a site area of approximately 7,713 sq.m., 9,313.3 sq.m. and 3,589.09 sq.m. respectively.
 - (ii) Daxie Haitian has obtained the building ownership of the property with a total gross floor area of approximately 11,781.02 sq.m.
 - (iii) The property is not subject to any mortgage and other parties' interest.
 - (iv) Daxie Haitian can freely transfer, lease or mortgage the property without payment of any further land premium.
- (4) According to Business Licence No. 006900 dated 22 June, 2006, Daxie Haitian, was a joint venture enterprise with a registered capital of USD1,550,000 for a valid operation period from 7 March, 2003 to 6 March, 2014.
- (5) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificates for the Use of State-owned Land	Yes
Grant Contracts of Land Use Rights	Yes
Supplementary Agreements	Yes
Building Ownership Certificates	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
5.	An industrial complex situated at No. 32 and No. 35 Jiangnan Road Central, Xiaogang Town, Beilun District, Ningbo City, Zhejiang Province, the PRC	The property comprises an industrial complex erected upon 8 plots of land with a total site area of approximately 142,458.1 sq.m. (1,533,419 sq.ft.). The property comprises an office building, an exhibition room, 8 workshop buildings, 4 warehouses and 21 ancillary buildings, all completed from 1992 to 2004 with a total gross floor area of approximately 106,994.93 sq.m. (1,151,693 sq.ft.). The land use rights of the property have been granted for various terms for industrial use.	RMB128,000,000

Notes:

- (1) According to 8 Certificates for the Use of State-owned Land, the land use rights of the property, comprising a total site area of 142,458.1 sq.m. have been granted to 寧波海天實力機械有限公司 (Ningbo Haitian Shili Machinery Co. Ltd.) ("Haitian Shili") for industrial use as follows:

Certificate No.	Expiry Date of Land Use Term	Site Area (sq.m.)
(2006) 04650	31 August, 2044	8,319.2
(2006) 04655	22 September, 2042	52,662.0
(2006) 04646	7 July, 2033	8,734.8
(2006) 04645	30 September, 2047	4,946.0
(2006) 04648	2 July, 2043	1,564.2
(2006) 04647	27 November, 2045	20,801.9
(2006) 04653	22 May, 2050	41,789.4
(2006) 04649	5 January, 2050	3,640.6
Total:		<u>142,458.1</u>

- (2) According to six Building Ownership Certificates, the building ownership of the property has been vested in Haitian Shili with details as follows:

Certificate No.	Use	No. of buildings	Gross Floor Area (sq.m.)
2006004979	Non-residential	8	4,453.57
2006004981	Non-residential	11	11,212.84
2006004982	Non-residential	8	47,125.37
2006005129	Non-residential	8	44,203.15
Total:		<u>35</u>	<u>106,994.93</u>

- (3) According to Business Licence No. 007212 dated 8 May, 2006, Haitian Shili was a joint venture enterprise established with a registered capital of USD12 million for an operating period from 24 June, 2003 to 23 June, 2018.

- (4) According to the PRC legal opinion:
- (i) Haitian Shili has obtained the land use rights of the property subject to the details as follows:
 - (ii) Haitian Shili has obtained the building ownership of the property with a total gross floor area of approximately 106,994.93 sq.m.
 - (iii) The property is not subject to any mortgage and other parties' interest.
 - (iv) Haitian Shili can transfer, lease or mortgage the property.
- (5) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificates for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Building Ownership Certificates	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
6. An industrial complex situated at No. 19 Yazhu Road, Yaqian Village, Xiaogang Town, Beilun District, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon 2 plots of land with a total site area of approximately 20,199.6 sq.m. (217,428 sq.ft.).</p> <p>The property comprises 2 office buildings, 7 workshop buildings, one warehouse and 18 ancillary buildings, all completed from 1970's to 2003 with a total gross floor area of approximately 16,504.34 sq.m. (177,653 sq.ft.).</p> <p>The land use rights of the property have been granted for various terms for industrial use.</p>	The property is currently occupied by the Group for industrial use.	RMB13,000,000

Notes:

- (1) According to 2 Certificates for the Use of State-owned Land, the land use rights of the property, comprising a total site area of 20,199.6 sq.m. have been granted to 寧波海天實力機械有限公司 (Ningbo Haitian Shili Machinery Co. Ltd.) ("Haitian Shili") for industrial use as follow:

Certificate No.	Expiry Date of Land Use Term	Site Area (sq.m.)
(2006) 04654	22 May, 2050	2,385.6
(2006) 04651	22 May, 2050	17,814.0
Total:		<u>20,199.6</u>

- (2) According to 5 Building Ownership Certificates, the building ownership of the property has been vested in Haitian Shili with details as follows:

Certificate No.	Use	No. of buildings	Gross Floor Area (sq.m.)
2006004984	Non-residential	7	3,989.37
2006004980	Non-residential	6	2,585.47
2006004983	Non-residential	5	1,266.62
2006004986	Non-residential	6	7,138.97
2006004985	Non-residential	4	1,523.91
Total:		<u>28</u>	<u>16,504.34</u>

- (3) According to Business Licence No. 007212 dated 8 May, 2006, Haitian Shili was a joint venture enterprise established with a registered capital of USD12 million for an operating period from 24 June, 2003 to 23 June, 2018.

- (4) According to the PRC legal opinion:

- (i) Haitian Shili has obtained the land use rights of the property for a term due to expire on 22 May, 2050 for industrial use with a total site area of approximately 20,199.6 sq.m.

- (ii) Haitian Shili has obtained the building ownership of the property with a total gross floor area of approximately 16,504.34 sq.m.
 - (iii) The property is not subject to any mortgage and other parties' interest.
 - (iv) Haitian Shili can transfer, lease or mortgage the property.
- (5) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
7. An industrial complex situated at No. 32 Jiangnan Road Central, Xiaogang Town, Beilun District, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon two plots of land with a total site area of approximately 78,340.73 sq.m. (843,260 sq.ft.).</p> <p>The industrial complex comprises a workshop building and 4 ancillary buildings, all completed in 2000 with a total gross floor area of approximately 50,292.25 sq.m. (541,346 sq.ft.).</p> <p>The land use rights have been granted for respective terms due to expire on 15 November, 2050 and 3 April, 2047 for industrial use.</p>	The property is currently occupied by the Group for industrial use.	RMB70,000,000

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the property comprising a total site area of 78,340.73 sq.m. have been granted to 寧波海天重工機械有限公司 (Ningbo Haitian Heavywork Machinery Co. Ltd.) ("Haitian Heavywork"), for industrial use as follows:

Certificate No.	Date of Issuance	Site Area (sq.m.)	Expiry Date of Land Use Term
(2006) 04678	30 April, 2006	45,275.33	15 November, 2050
(2006) 04652	30 April, 2006	<u>33,065.40</u>	3 April, 2047
Total:		<u><u>78,340.73</u></u>	

- (2) According to Building Ownership Certificate No. 2006004729 dated 25 April, 2006, the building ownership of the property has been vested in Haitian Heavywork, with details as follows:

Block No.	Use	No. of Storey	Gross Floor Area (sq.m.)
35	Non-residential	1	49,965.00
36-39	Non-residential	1	<u>327.25</u>
Total:			<u><u>50,292.25</u></u>

- (3) According to Business Licence No. 007179 dated 19 April, 2006, Haitian Heavywork was a joint venture enterprise established with a registered capital of USD15 million for an operating period from 11 June, 2003 to 10 June, 2016.

(4) According to the PRC legal opinion:

(i) Haitian Heavywork has obtained the land use rights of the property subject to the details as follows:

Land Use Right Certificate No.	Date of Issuance	Site Area (sq.m.)	Expiry Date of Land Use Term
(2006) 04678	30 April, 2006	45,275.33	15 November, 2050
(2006) 04652	30 April, 2006	<u>33,065.40</u>	3 April, 2047
		<u><u>78,340.73</u></u>	

(ii) Haitian Heavywork has obtained the building ownership of the property with a total gross floor area of approximately 50,292.25 sq.m.

(iii) The property is not subject to any mortgage and other parties' interest.

(iv) Haitian Heavywork can transfer, lease or mortgage the property.

(5) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificates for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
8. An industrial building at the junction of Fengyangsan Road and Changbaishan Road, Dagang Industrial City, Beilun District, Ningbo City, Zhengjiang Province, the PRC	<p>The property comprises an industrial building erected upon a plot of land with a total site area of approximately 7,571 sq.m. (81,494 sq.ft.).</p> <p>Completed in 2006, the industrial building has a total gross floor area of approximately 6,891.2 sq.m. (74,176 sq.ft.).</p> <p>The land use rights have been granted for a term of 50 years due to expire on 3 June, 2055 for industrial use.</p>	The property is currently occupied by the Group for industrial use.	RMB16,000,000

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2005) 08975 dated 25 August, 2005, the land use rights of the property comprising a site area of 7,571 sq.m. have been granted to 寧波海天北化科技有限公司 (Ningbo Haitian Beihua Science and Technology Co. Ltd.) ("Haitian Beihua"), for a term due to expire on 3 June, 2055 for industrial use.
- (2) According to Grant Contract of Land Use Rights No. (2005) 22 entered into between Beilun Branch of Ningbo Land Administrative Bureau ("Party A") and Haitian Beihua ("Party B") on 11 May, 2005, the land use rights of the property comprising a site area of approximately 7,571 sq.m. have been granted to Haitian Beihua, for a term of 50 years for industrial use for a consideration of RMB1,362,780.
- (3) According to Building Ownership Certificate No. 2006009813 dated 9 August 2006, the building ownership of the property has been vested in Haitian Beihua with gross floor area of 6,891.2 sq.m.
- (4) According to Planning Permit for Construction Use of Land No. (2005) 0204080 issued by Beilun Branch of Ningbo Planning Bureau on 30 April, 2005, an Industrial building with office was permitted to be developed on the property with a site area of 7,570.82 sq.m.
- (5) According to Planning Permit for Construction Works No. (2005) 0204180 dated 28 July, 2005, the construction works of an industrial building with office with a gross floor area of approximately 5,930 sq.m. was permitted for development on the property.
- (6) According to Permit for Commencement of Construction Works No. 330206200508020101 issued by Ningbo Construction Bureau of Beilun District on 6 September, 2005, the construction works of the property have been permitted for commencement.
- (7) According to Business Licence No. 3302061701393 ($\frac{1}{1}$) dated 25 April, 2006, Haitian Beihua was incorporated as a limited company with a registered capital of RMB10 million for a valid operation period from 19 January, 2005 to 18 January, 2015.
- (8) According to the PRC legal opinion:
 - (i) Haitian Beihua has obtained the land use rights of the property for a term due to expire on 3 June, 2055 for industrial use with a site area of approximately 7,571 sq.m.
 - (ii) Haitian Beihua has obtained the building ownership of the property with a total gross floor area of approximately 6,891.2 sq.m.

- (iii) The property is not subject to any mortgage and other parties' interest.
 - (iv) Haitian Beihua can transfer, lease or mortgage the property.
- (9) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Building Ownership Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
9. An under construction industrial building situated on land lot No. B4-D, State High-tech Development Zone, Wuxi New Area, Wuxi City, Jiangsu Province, the PRC	<p>The property comprises an industrial building under construction erected upon a plot of land with a total site area of approximately 92,440 sq.m. (995,024 sq.ft.).</p> <p>Upon completion, the industrial building is planned to have a total gross floor area of approximately 50,868 sq.m. (547,543 sq.ft.).</p> <p>The land use rights have been granted for a term of 50 years due to expire on 9 September, 2055 for industrial use.</p>	The property is currently under construction and is scheduled to be completed in 2006.	RMB18,000,000

Notes:

- (1) Building Ownership Certificate of the property has not been obtained. In the course of our valuation, we have assigned value for the land portion of the property only.
- (2) According to Certificate for the Use of State-owned Land No. (2005) 1038 dated 28 September, 2005, the land use rights of the property comprising a site area of 92,440 sq.m. have been granted to 無錫天劍機械有限公司 (Wuxi Tianjian Machinery Co. Ltd.) ("Wuxi Tianjian"), for a term due to expire on 9 September, 2055 for industrial use.
- (3) According to Contract for Grant of State-owned Land Use Rights No. (2005) 09 entered into between Wuxi Land Administrative Bureau ("Party A") and Wuxi Tianjian ("Party B") on 10 September, 2005, the land use rights of the property comprising a site area of approximately 92,440 sq.m. have been granted to Wuxi Tianjian, for a term of 50 years for industrial use for a consideration of RMB16,831,752.52.
- (4) According to Planning Permit for Construction Use of Land No. (2005) 11 issued by Wuxi New Area Administration Committee on 7 January, 2005, an industry complex was permitted to be developed on the property with a site area of 92,456 sq.m.
- (5) According to Planning Permit for Construction Works No. (2005) 183 dated 25 July, 2005, the construction works of a workshop building with a gross floor area of approximately 50,868 sq.m. was permitted for development on the property.
- (6) According to Permit for Commencement of Construction Works No. (2005) B119 issued by Planning and Construction Bureau of Wuxi New Area Administration Committee on 26 October, 2005, the construction works of the Property have been permitted for commencement.
- (7) According to information provided by the Group, the property under construction comprises a single storey workshop building with a gross floor area of approximately 50,868 sq.m. upon completion
- (8) According to the information provided by the Group, the incurred construction cost as at 31 October, 2006 was approximately RMB57,394,484 and the estimated total outstanding construction cost for completion is approximately RMB18,165,755. The industrial complex is scheduled to be completed by the end of 2006.

In the course of our valuation, we have not taken into account the expended construction cost mentioned above.

- (9) According to Business Licence No. 007381 dated 19 May, 2006, Wuxi Tianjian was a joint venture enterprise with a registered capital of USD25 million for a valid operation period from 14 December, 2004 to 13 December, 2015.
- (10) According to the PRC legal opinion:
- (i) Wuxi Tianjian has obtained the land use rights of the property for a term due to expire on 9 September, 2055 for industrial use with a site area of approximately 92,440 sq.m.
 - (ii) Wuxi Tianjian has obtained relevant permits from the local authorities for construction of the property.
- (11) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Work	Yes
Permits for Commencement of Construction Works	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
10. An industrial complex situated at No. 12, Dongsheng Industrial Estate, Shiqiao Town, Panyu District, Guangzhou, Guangdong Province, the PRC	<p>The property comprises an industrial complex with 4 blocks industrial buildings and ancillary structures erected on a plot of industrial land with a total site area of approximately 22,995 sq.m. (247,518 sq.ft.).</p> <p>Completed in 1998 to 2000, the property comprises 4 blocks buildings with a total gross floor area of 13,646.10 sq.m. (146,887 sq.ft.).</p> <p>The land use rights of the property have been granted for a term due to expire on 12 February, 2048 for industrial and warehouse uses.</p>	The property is occupied by the Group for industrial, dormitory and office uses.	RMB31,000,000

Notes:

- (1) According to Certificate for the Use of State-owned land No. G01-000891 dated 10 April 2001, the land use rights of the property, comprising a total site area of 22,995 sq.m. has been granted to 海天塑料機械(廣州)有限公司 (Haitian Plastic Machinery Guangzhou Co. Ltd.) ("Haitian Guangzhou"), for a term due to expire on 12 February, 2048 for industrial and warehouse uses.
- (2) According to 4 Realty Title Certificates dated 15 August, 2001, the building ownership of the property, comprising a gross floor area of 13,646.10 sq.m., have been granted to Haitian Guangzhou, for details as follows:

Certificate Nos.	Use	Storey	Year Built	Gross Floor Area sq.m.
C0335608	office	3	1998	975.80
C0335606	dormitory	5	1999	2,068.50
C0335605	workshop	1	2000	5,666.90
C0335607	workshop	1	1998	4,934.90
Total:				<u>13,646.10</u>

- (3) According to Business Licence No. 301231 dated 19 May, 2006, Haitian Guangzhou was a foreign owned enterprise with a registered capital of USD2.4 million for a valid operation period from 20 December, 1997 to 20 December, 2012.
- (4) According to the PRC legal opinion:
- (i) Haitian Guangzhou has obtained the land use rights of the property for a term due to expire on 12 February, 2048 for industrial use with a total site area of approximately 22,995 sq.m.
- (ii) Haitian Guangzhou has obtained the building ownership of the property with a total gross floor area of approximately 13,646.10 sq.m.
- (iii) The property is not subject to any mortgage and other parties' interest.

(iv) Haitian Guangzhou can freely transfer, lease or mortgage the property without payment of any further land premium.

(5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licenses are as follows:

Certificate for the Use of State-owned Land	Yes
Realty Title Certificates	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
11. 24 flats in Block No. 26 of Donghua Garden, Shiji Town, Panyu District, Guangzhou, Guangdong Province, the PRC	The property comprises 24 flats of a 7-storey residential building known as Block No. 26 of Donghua Garden. Completed in 2002, the property has a total gross floor area of approximately 2,709.6 sq.m. (29,166 sq.ft.). The land use rights of the property have been granted for a term due to expire on 21 October, 2066 for residential use.	The property is currently occupied by the Group as staff quarters.	RMB9,800,000

Notes:

- (1) According to 24 Realty Title Certificates, the building ownership of the property has been vested in 海天塑料機械(廣州)有限公司 (Haitian Plastic Machinery Guangzhou Co. Ltd.) ("Haitian Guangzhou") with details as follows:

Realty Title Certificate No.	Date of Issuance	Staircase Entrance No.	Flat No.	Gross Floor Area (sq.m.)
C2688878	21 July, 2004	2	201	112.7
C2688880	21 July, 2004	2	301	112.7
C2688879	21 July, 2004	2	401	112.7
C2688882	21 July, 2004	2	501	112.7
C2688883	21 July, 2004	2	601	112.7
C2688884	21 July, 2004	2	701	112.7
C2688885	21 July, 2004	2	202	113.1
C2688887	21 July, 2004	2	302	113.1
C2630511	29 July, 2004	2	402	113.1
C2630512	29 July, 2004	2	502	113.1
C2630509	29 July, 2004	2	602	113.1
C2630510	29 July, 2004	2	702	113.1
C2688859	21 July, 2004	1	203	113.1
C2688862	21 July, 2004	1	303	113.1
C2688863	21 July, 2004	1	403	113.1
C2688864	21 July, 2004	1	503	113.1
C2688865	21 July, 2004	1	603	113.1
C2688866	21 July, 2004	1	703	113.1
C2688861	21 July, 2004	1	204	112.7
C2688867	21 July, 2004	1	304	112.7
C2688869	21 July, 2004	1	404	112.7
C2688860	21 July, 2004	1	504	112.7
C2688877	21 July, 2004	1	604	112.7
C2688889	21 July, 2004	1	704	112.7
				2,709.6

- (2) According to the PRC legal opinion:
- (i) Haitian Guangzhou has obtained the land use rights of the property for a term due to expire on 21 October, 2066 for residential use.
 - (ii) Haitian Guangzhou has obtained the building ownership of the property with a total gross floor area of approximately 2,709.6 sq.m.
 - (iii) The property is not subject to any mortgage and other parties' interest.
 - (iv) Haitian Guangzhou can freely transfer, lease or mortgage the property without payment of any further land premium.
- (3) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Realty Title Certificates
Business Licence

Yes
Yes

VALUATION CERTIFICATE

Group II — Property contracted to be acquired by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October, 2006
12. Unit 5 on Level 11 of Tower II, Metroplaza, No. 223 Hing Fong Road, Kwai Chung, New Territories 10/31000th parts or shares of and in Kwai Chung Town Lot No. 395	<p>The property comprises an office unit on the 11th floor of a 41-storey commercial building completed in 1992. The basement floors are devoted to carparking and loading and unloading purposes whilst the 1st to 5th floors are designated for commercial uses, the 6th floor is devoted to club house purpose and the remaining upper floors accommodate office units.</p> <p>The property has a saleable area of approximately 98.57 sq.m. (1,061 sq.ft.).</p> <p>The property is held from the Government under New Grant No. TW 6690 for a term from 14 February, 1989 to 30 June, 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.</p>	As advised by the Group, the property is intended to be used by the Group as office.	RMB6,120,000 (HK\$6,000,000)

Notes:

- (1) The registered owner of the property is Fine Express Development Limited, which, as advised by the Group, in an independent third party.
- (2) The property is subject to a legal charge/mortgage in favour of The Bank of East Asia, Limited vide Memorial No. TW1286495 dated 25 May, 1999 for all moneys.
- (3) Dahai (H.K.) Company Limited entered into an Agreement for Sale and Purchase on 24 November, 2006 to purchase the property from Fine Express Development Limited for a consideration of HK\$6,000,000. The transaction shall be completed on or before 15 December, 2006.

VALUATION CERTIFICATE

Group III — Property leased to the Group in the PRC

Property	Description and tenancy particulars	Capital value in existing state as at 31 October, 2006
13. First Level, of Block No. 3 of No. 20 Jiangnan Road Central, Jiangnan Industrial Trade Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises the 1st level of a building completed in about 1998.</p> <p>The property has a gross floor area of approximately 90.57 sq.m. (975 sq.ft.) and is currently occupied by the Group as office.</p> <p>The property is currently leased from 寧波海天集團股份有限公司 (Ningbo Haitian Group Co. Ltd.) (a connected person as defined in the prospectus of the Company), to 寧波海天寧興機械有限公司, (Ningbo Haitian Ningshing Machinery Co. Ltd.) in which the Company holds 100% attributable interest, for a term of 5 years from 1 July, 2006 at an annual rental of RMB16,302.6.</p> <p>According to the PRC legal opinion, the lessor has provided the Certificate for the Use of State-owned Land and Building Ownership Certificate of the property and is entitled to lease the property. The lease has not been registered in the relevant authority but is legal, valid, binding on both parties and enforceable.</p>	No commercial value
14. 3rd and 6th to 8th Levels of Main Building and 2nd to 3rd Levels of Ancillary Building of No. 32 Jiangnan Road Central, Jiangnan Industrial Trade Zone, Beilun District, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises portion of 14-storey building completed in about 1992.</p> <p>The property has a gross floor area of approximately 3,186.86 sq.m. (34,303 sq.ft.) and is currently occupied by the Group as office.</p> <p>The property is currently leased from 寧波海天集團股份有限公司 (Ningbo Haitian Group Co. Ltd.) (a connected person as defined in the prospectus of the Company) to 寧波海天塑機集團有限公司, (Ningbo Haitian Plastic Injection Machinery Group Limited), a wholly-owned subsidiary of the Company for a term of 5 years from 1 July, 2006 at an annual rental of RMB573,634.8.</p> <p>According to the PRC legal opinion, the lessor has provided the Certificate for the Use of State-owned Land and Building Ownership Certificate of the property and is entitled to lease the property. The lease has not been registered in the relevant authority but is legal, valid, binding on both parties and enforceable.</p>	No commercial value

VALUATION CERTIFICATE

Property	Description and tenancy particulars	Capital value in existing state as at 31 October, 2006
15. An industrial complex situated on Xinzhai Road, Shuofang Town, Wuxi New Area, Wuxi City, Jiangsu Province, the PRC	<p>The property comprises three workshop buildings completed in about 2003.</p> <p>The property has a gross floor area of approximately 8,349 sq.m. (89,869 sq.ft.) and is currently occupied by the Group as workshop.</p> <p>The property is currently leased from an independent third party to 無錫天劍機械有限公司 (Wuxi Tianjian Machinery Co. Ltd.) in which the Company holds 100% attributable interest for a term of 2 years from 1 December, 2004 to 30 November, 2006 at a monthly rental of RMB100,188 for industrial use.</p> <p>According to the PRC legal opinion, the lessor cannot provide any Building Ownership Certificate and Permits for Construction and the tenancy may be terminated at any time.</p> <p>As advised by the Company, the tenancy agreement will expire soon and will not be renewed. The Company has confirmed that in view of the completion of the new industrial complex which will be made available for operation soon, there will not be material impact on the operation of the Group if the tenancy is terminated in short notice.</p>	No commercial value
16. 6th Floor, Huaxing Building, No. 58 Xueyuan Road, Hangzhou City, Zhejiang Province, the PRC	<p>The property comprises the 6th Floor of a 7-storey industrial building completed in about 1985.</p> <p>The property has a gross floor area of approximately 655 sq.m. (7,050 sq.ft.) and is currently occupied by the Group as workshop and office.</p> <p>The property is currently leased from an independent third party to Hangzhou Keqiang Intelligence Control System Co. Ltd. (杭州科強智能控制系統有限公司), for a term from 1 August, 2006 to 31 December, 2007 at an annual rental of RMB141,480 for industrial use.</p> <p>According to the PRC legal opinion, the lessor cannot provide any Building Ownership Certificate and Permits for Construction and the tenancy may be terminated at any time.</p> <p>As advised by the Group, there is no material impact on the operation of the Group if the tenancy is terminated in short notice. The Company also confirms that there is no material impediment in looking for a substitute premise.</p>	No commercial value

VALUATION CERTIFICATE

Group IV — Properties leased to the Group in Italy

Property	Description and tenancy	Capital value in existing state as at 31 October, 2006
17. Via Brodolini 15, Cazzago San Martino (BS), Italy	<p>The property comprises a 2-storey industrial/office building completed in the early 2000s.</p> <p>The property has a gross floor area of approximately 3,303 sq.m. (35,553 sq.ft.) and is currently occupied by the Group as office and warehouse.</p> <p>The property is currently leased from GPS di Perotti Ferruccio & C. Snc, an independent third party, to Haitian Europe Spa, a wholly-owned subsidiary of the Company, for a term of 6 years commencing from 1 July, 2004 to 30 June, 2010 at an annual rental of EUR204,000 plus VAT with an option to renew for a further term of 6 years.</p> <p>According to the Italian legal opinion, the tenancy is duly executed, valid, legally binding and enforceable.</p>	No commercial value
18. Via Vighenzi 5, Rovato, (BS), Italy	<p>The property comprises an apartment unit on the ground floor of a 2-storey residential building completed in the 1950s.</p> <p>The property has a gross floor area of approximately 48 sq.m. (517 sq.ft.) and is currently occupied by the Group as staff quarters.</p> <p>The property is currently leased from Sara Immobiliare s.a.s. di Rinaldi G & C, an independent third party to Haitian Europe, a wholly-owned subsidiary of the Company, for a term of 4 years from 7 April, 2006 to 6 April, 2010 at an annual rental of EUR6,000 with an option to renew for a further term of 4 years.</p> <p>According to the Italian legal opinion, the lease agreement was regularly registered on 7 April, 2006.</p>	No commercial value