

*The following is the text of a letter, summary of valuation and valuation certificates prepared for the purpose of incorporation in this prospectus received from Vigers Appraisal & Consulting Limited, an independent valuer, in connection with its valuation as at 31 March 2007 of the property interests of the Group.*

**Vigers Appraisal & Consulting Limited**

International Asset Appraisal Consultants

10th Floor  
The Grande Building  
398 Kwun Tong Road  
Kowloon  
Hong Kong



29 May 2007

The Directors

Tianneng Power International Limited  
Unit No. 5509, 55th Floor  
Central Plaza  
No. 18 Harbour Road  
Wanchai  
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value the property interests held by Tianneng Power International Limited (the “Company”) or its subsidiaries (collectively referred to as the “Group”) in the People’s Republic of China (“the PRC”) and the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interests as at 31 March 2007 (the “date of valuation”) for incorporating into the prospectus.

Our valuation is our opinion of the market value of the property interest 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 lack of identifiable market transaction on properties of similar nature of the buildings and structure, in valuing the properties in Group I, we have adopted a combination of the market and depreciated replacement cost approaches in assessing the land portion of the property and the buildings and structures standing on the land respectively. The sum of the two results represents the market value of the property as a

whole. In the valuation of the land portion, reference has been made to the standard land prices in the relevant cities and the sales evidences in the locality as available to us.

The depreciated replacement cost approach considers the cost to reproduce or replace in new condition the property appraised in accordance with current construction costs for similar property in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The depreciated replacement cost approach generally furnishes a reliable indication of value for property in the absence of a known market based on comparable sales. It is subject to adequate potential profitability of the business or of the whole entity.

The property in Group II has been ascribed no commercial value due to either the short-term nature of the tenancy or the lack of substantial profit rent.

We have not caused title searches to be made for the property interests at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interests. However, we have not scrutinized the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us.

In undertaking our valuation of the properties in the PRC, we have relied on the legal opinion provided by the Group's PRC legal adviser, Grandall Legal Group (Hangzhou).

Our valuation has been made on the assumption that the owners sell the property interests on the market without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to increase the value of the property interests. In addition, no forced sale situation in any manner is assumed in our valuation. Unless otherwise stated, the valuation represents the value of the entire property interest described in the valuation certificate and not the value of a share of it. Other assumptions in respect of each property, if any, have been set out in the footnotes of the valuation certificate for the respective property.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, occupation, lettings, site and floor areas, development plans, construction costs, identification of the properties and other relevant matters. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out investigations on site to determine the suitability of ground conditions and services etc. for any future development, nor have we undertaken any ecological or environmental surveys. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction period.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests 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 the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors (“HKIS”).

We enclosed herewith a summary of our valuation and the valuation certificates.

Yours faithfully,  
For and on behalf of  
**Vigers Appraisal & Consulting Limited**  
**Raymond Ho Kai Kwong**  
*Registered Professional Surveyor*  
MRICS MHKIS MSc(e-com)  
*Executive Director*

*Note:* Raymond K.K. Ho, Chartered Surveyor, MRICS, MHKIS has over nineteen years' experience in undertaking valuations of properties in Hong Kong and Macau, and has over twelve years' experience in the valuation of properties in the PRC. Mr. Ho has been working with Vigers Group since 1989.

## SUMMARY OF VALUATION

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

<b>Property</b>	<b>Capital Value in existing state as at 31 March 2007</b>
1. An industrial complex located at Lot Nos. 29-01-02-0014, 29-01-30-0018, 29-2-0-205 to 29-2-0-207, 29-01-14-0013, and 29-2-0-137 to 29-2-0-138, Jianxia Village, Meishan Town, Changxing County, Zhejiang Province, The PRC	RMB44,000,000
2. An industrial complex located at Lot No. 29-2-0-204, Industrial Park District of Meishan Town, Changxing County, Zhejiang Province, The PRC	RMB22,300,000
3. An industrial complex located at Lot Nos. 01-01-67-0060 and 01-01-67-0060-1, Baoqiao Village, Baijiabang, Zhicheng Town, Changxing County, Zhejiang Province, The PRC	RMB55,400,000
4. A dormitory complex located at Lot Nos. 01-01-67-0061 and 01-01-67-0061-1, Baoqiao Village, Baijiabang, Zhicheng Town, Changxing County, Zhejiang Province, The PRC	RMB20,000,000

<b>Property</b>	<b>Capital Value in existing state as at 31 March 2007</b>
5. An industrial complex located at Changxing Road, Tianneng Road, Shuyang County Economic Development Zone, Jiangsu Province, The PRC	RMB76,300,000
6. A dormitory complex located at Yuhuan Road, South Area, Shuyang County Economic Development Zone, Jiangsu Province, The PRC	RMB14,100,000
7. An industrial complex located at the junction of Lungshan Road and Fengminghu Road, Xikaihu Industrial Park, Wuhu City Economic and Technology Development Zone, Anhui Province, The PRC	RMB21,500,000 (see also footnote (iii) in the certificate)
8. A parcel of land located to the west of Fengminghu North Road, Xikaihu Industrial Park, Wuhu City Economic and Technology Development Zone, Anhui Province, The PRC	RMB7,060,000
Sub-total:	<u>RMB260,660,000</u>

## Group II — Property interests rented by the Group in Hong Kong

<u>Property</u>	<u>Capital Value in existing state as at 31 March 2007</u>
9. Unit No. 5509, 55th Floor, Central Plaza, No.18 Harbour Road, Wanchai, Hong Kong	No commercial value
Sub-total:	Nil
<b>Grand-total:</b>	<b><u>RMB260,660,000</u></b>

## VALUATION CERTIFICATES

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

Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
1. An industrial complex located at Lot Nos. 29-01-02-0014, 29-01-30-0018, 29-2-0-205 to 29-2-0-207, 29-01-14-0013 and 29-2-0-137 to 29-2-0-138, Jianxia Village, Meishan Town, Changxing County, Zhejiang Province, The PRC	<p>The property comprises 8 parcels of land having a total site area of approximately 72,288 sq.m. together with the buildings and structures erected thereon.</p> <p>The buildings having a total gross floor area of approximately 54,569 sq.m. were completed in between 1984 to 2006.</p> <p>The buildings and structures mainly include workshops, warehouses, plant rooms, administrative building, canteen and dormitories, together with associated structures including roadwork and fencing wall.</p> <p>The property is held with the land use rights for year terms expiring on various dates between 8 August 2052 and 27 September 2055.</p>	The property is occupied by the Group as production complex.	RMB44,000,000

Notes:

- i. According to the State-owned Land Use Rights Certificates Chang Guo Yong (2004) 29-2247, 29-2249, 29-2250, 29-2251, 29-2252, (2005)29-2255, (2006)29-3764 and (2006)29-3765, the land use rights of the property having a total site area of approximately 72,287.66 sq.m. have been granted to 浙江天能電池有限公司 (Zhejiang Tianneng Battery Co., Ltd. or "Tianneng Battery") for industrial use. Further details are as follows:

<u>Certificate No.</u>	<u>Site Area</u> <i>(in sq.m.)</i>	<u>Expiry date</u>
(2004) 29-2247	896.60	26 July 2054
(2004) 29-2249	6,807.14	26 July 2054
(2004) 29-2250	5,045.91	19 October 2053
(2004) 29-2251	2,056.00	2 November 2052
(2004) 29-2252	27,947.00	8 August 2052
(2005) 29-2255	16,194.28	19 July 2055
(2006) 29-3764	1,802.36	27 September 2055
(2006) 29-3765	11,538.37	27 September 2055
<b>Total:</b>	<b>72,287.66</b>	

According to the Company, the land use rights of the property were acquired in between 20 October 2003 and 28 September 2005. The total cost expended on the acquisition was RMB4,364,837.

- ii. According to the Building Ownership Certificates Chang Zi Nos. 00037803 to 00037807, 00037809 to 00037814, 00038796 and 00057442, the title of the buildings having a total gross floor area of approximately 54,569 sq.m. is vested in Tianneng Battery for non-domestic uses. Further details are as follows:

<u>Certificate No.</u>	<u>Gross Floor Area</u> (in sq.m.)
00037803	5,884.86
00037804	6,305.14
00037805	2,062.02
00037806	6,723.53
00037807	972.64
00037809	4,941.34
00037810	7,544.02
00037811	1,417.56
00037812	1,630.47
00037813	4,119.55
00037814	1,997.64
00038796	2,234.71
00057442	8,735.52
<b>Total:</b>	<b>54,569.00</b>

- iii. According to a tenancy agreement entered into between Tianneng Battery and 長興天能汽車運輸有限公司 (Changxing Tianneng Vehicle Transport Co., Ltd. or "Tianneng Transport"), a workshop having a gross floor area of about 1,000 sq.m. has been leased to Tianneng Transport for a term from 1 April 2005 to 31 March 2024 at a yearly rental of RMB12,000.

According to a tenancy agreement entered into between 浙江省長興蓄電池廠 and 浙江省長興天能物資回收有限公司 (Zhejiang Changxing Tianneng Recycle Co., Ltd. or "Tianneng Recycle") dated 28 April 1999, a workshop having a gross floor area of about 1,500 sq.m. has been leased to Tianneng Recycle for a term of 15 years at a yearly rental of RMB30,000. The agreement was subsequently assumed by Tianneng Battery under an Agreement on Transfer of Asset at the acquisition of 浙江省長興蓄電池廠 by Tianneng Battery on 20 April 2003. On 1 January 2006, Tianneng Battery entered into a tenancy agreement with Tianneng Recycle to lease a workshop having a gross floor area of about 2,000 sq.m. to Tianneng Recycle for a term of RMB30,000 for a term of 3 years.

- iv. The PRC legal opinion states, *inter alia*, as follows:
- (1) Tianneng Battery has fully settled the premium for the land use rights and paid taxes for the land use rights and buildings. The land use rights certificates and building ownership certificates held by Tianneng Battery are legal and effective. Within the granted year term of the land use rights, Tianneng Battery may use, assign, lease or mortgage the buildings and land use rights in accordance with the laws.
  - (2) The property is subject to mortgage in favour of Bank of China, Changxing Branch. The exercise of the property rights by Tianneng Battery is restricted by that mortgage agreement.
  - (3) Referring to Note (iii) above, the tenancy agreements mentioned are legally effective and binding.



Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
2. An industrial complex located at Lot No. 29-2-0-204, Industrial Park District of Meishan Town, Changxing County, Zhejiang Province, The PRC	<p>The property comprises a parcel of land having a site area of approximately 37,067 sq.m. together with the buildings and structures erected thereon.</p> <p>The buildings having a total gross floor area of approximately 26,724 sq.m. were completed in between 2003 to 2006.</p> <p>The buildings and structures mainly include workshops, warehouses, plant rooms and canteen, together with the associated structures including roadwork and fencing wall.</p> <p>The property is held with the land use rights for a year term expiring on 15 December 2053.</p>	The property is occupied by the Group as production complex.	RMB22,300,000

*Notes:*

- i. According to the State-owned Land Use Rights Certificate Chang Guo Yong (2004) 29-2248, the land use rights of the property having a total site area of approximately 37,066.95 sq.m. have been granted to 浙江省長興天能電源有限公司 (Zhejiang Changxing Tianneng Power Supply Co., Ltd. or "Tianneng Power") for industrial use for a term expiring on 15 December 2053.

According to the Company, the land use rights of the property was acquired on 16 December 2003. The total cost expended on the land acquisition was RMB1,779,907.

- ii. According to the Building Ownership Certificates Chang Zi Nos. 00037795 to 00037798, the title of the buildings having a total gross floor area of approximately 26,724 sq.m. is vested in Tianneng Power for non-domestic uses. Further details are as follows:

Certificate No.	Gross Floor Area (in sq.m.)
00037795	3,998.55
00037796	14,556.95
00037797	8,142.28
00037798	26.42
<b>Total:</b>	<b>26,724.20</b>

- iii. The PRC legal opinion states, *inter alia*, as follows:
- (1) Tianneng Power has fully settled the premium for the land use rights and paid taxes for the land use rights and buildings. The land use rights certificate and building ownership certificates held by Tianneng Power are legal and effective. Within the granted year term of the land use rights, Tianneng Power may use, assign, lease or mortgage the buildings and land use rights in accordance with the laws.
  - (2) The property is subject to mortgage in favour of Bank of China, Changxing Branch. The exercise of the property rights by Tianneng Power is restricted by that mortgage agreement.

Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
3. An industrial complex located at Lot Nos. 01-01-67-0060 and 01-01-67-0060-1, Baoqiao Village, Baijiabang, Zhicheng Town, Changxing County, Zhejiang Province, The PRC	<p>The property comprises two parcels of land having a total site area of approximately 131,027 sq. m. together with the buildings and structures erected thereon.</p> <p>The buildings having a total gross floor area of approximately 28,628 sq.m. were completed in between 2005 to 2006.</p> <p>The buildings and structures mainly include workshops, plant rooms and administrative building, together with associated structures including roadwork and fencing wall.</p> <p>The property is held with the land use rights for a year term expiring on 9 July 2054.</p>	The property is occupied by the Group as production workshop and administrative office.	RMB55,400,000

*Notes:*

- i. According to the State-owned Land Use Rights Certificates Chang Tu Guo Yong (2004) 1-3381 and (2006) 1-5721, the land use rights of the property respectively having site areas of approximately 76,360.78 sq.m. and 54,666.18 sq.m. have been granted to 浙江天能電子電器有限公司 (Zhejiang Tianneng Electronic Apparatus Co., Ltd. or "Tianneng Electronic") for a term expiring on 9 July 2054 for industrial use.
 

According to the Company, the land use rights of the property together with that of Property 4 were acquired on 10 July 2004. The total cost expended on the land acquisition was RMB13,430,000.
- ii. According to the Building Ownership Certificates Chang Zi Nos.00057444 and 00057445, the title of the buildings respectively having gross floor areas of approximately 5,892.4 sq.m. and 22,735.2 sq.m. is vested in Tianneng Electronic for workshop and other uses purpose.
- iii. According to a tenancy agreement entered into between Tianneng Electronic (the lessor) and 浙江天能電池有限公司 (the lessee) dated 28 February 2005, a workshop having a gross floor area of about 15,000 sq.m. has been leased to the lessee for a term of 15 years from 1 March 2005 at the depreciation cost of the property.

- iv. The PRC legal opinion states, *inter alia*, as follows:
- (1) Tianneng Electronic has fully settled the premium for the land use rights and paid taxes for the lands use rights and buildings. The land use rights certificates and building ownership certificates held by Tianneng Electronic are legal and effective. Within the granted year term of the land use rights, Tianneng Electronic may use, assign, lease or mortgage the buildings and land use rights in accordance with the laws.
  - (2) The land use rights of the property are subject to mortgage in favour of Industrial and Commercial Bank of China, Changxing Branch. The exercise of the property rights by Tianneng Electronic is restricted by that mortgage agreement.
  - (3) Referring to Note (iii) above, the tenancy agreement mentioned is legally effective and binding.

Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
4. A dormitory complex located at Lot Nos. 01-01-67-0061 and 01-01-67-0061-1, Baoqiao Village, Baijiabang, Zhicheng Town, Changxing County, Zhejiang Province, The PRC	<p>The property comprises two parcels of land having a total site area of approximately 48,320 sq.m. together with the buildings and structures erected thereon.</p> <p>The buildings having a total gross floor area of approximately 10,985 sq.m. were completed in between 2005 and 2006.</p> <p>The buildings and structures mainly include 2 dormitory blocks, a canteen, plant rooms, together with the associated roadwork and fencing wall.</p> <p>The property is held with the land use rights for a year term expiring on 9 July 2054.</p>	The property is occupied by the Group as dormitory complex.	RMB20,000,000

---

*Notes:*

- i. According to the State-owned Land Use Rights Certificates Chang Tu Guo Yong (2004) 1-3382 and (2006) 1-5720, the land use rights of the property respectively having site areas of approximately 27,501.41 sq.m. and 20,818.65 sq.m. have been granted to 浙江天能電子電器有限公司 (Zhejiang Tianneng Electronic Apparatus Co., Ltd or "Tianneng Electronic") for a term expiring on 9 July 2054 for industrial use.

According to the Company, the land use rights of the property together with that of Property 3 were acquired on 10 July 2004. The total cost expended on the land acquisition was RMB13,430,000.

- ii. According to the Building Ownership Certificates Chang Zi Nos.00057443 and 00057446, the title of the buildings respectively having gross floor areas of approximately 6,816.96 sq.m. and 4,167.94 sq.m. is vested in Tianneng Electronic for dormitories, canteen and other uses purposes.

- iii. The PRC legal opinion states, *inter alia*, as follows:

- (1) Tianneng Electronic has fully settled the premium for the land use rights and paid taxes for the land use rights and buildings. The land use rights certificates and building ownership certificates held by Tianneng Electronic are legal and effective. Within the granted year term of the land use rights, Tianneng Electronic may use, assign, lease or mortgage the buildings and land use rights in accordance with the laws.

- (2) The land use rights of the property are subject to mortgage in favour of Industrial and Commercial Bank of China, Changxing Branch. The exercise of the property rights by Tianneng Electronic is restricted by that mortgage agreement.

<u>Property</u>	<u>Description</u>	<u>Particulars of occupancy</u>	<b>Capital Value in existing state as at 31 March 2007</b>
5. An industrial complex located at Changxing Road, Tianneng Road, Shuyang County Economic Development Zone, Jiangsu Province, The PRC	<p>The property comprises a parcel of land having a site area of approximately 131,200 sq.m. together with the buildings and structures erected thereon.</p> <p>The buildings having a total gross floor area of approximately 83,264 sq.m. were completed in 2006.</p> <p>The buildings and structures mainly include 5 workshops, a machine room, laboratory, canteen, boiler house and water treatment station.</p> <p>The property is held with the land use rights for a year term expiring on 15 July 2055.</p>	The property is occupied by the Group as production workshop.	RMB76,300,000

---

*Notes:*

- i. According to the State-owned Land Use Rights Certificate Shu Guo Yong (2005) 27210, the land use rights of the property having a total site area of approximately 131,200 sq.m. have been granted to 浙江天能電池(江蘇)有限公司(Zhejiang Tianneng Battery (Jiangsu) Co., Ltd or "Tianneng Jiangsu") for a term expiring on 15 July 2055 for industrial use.

According to the Company, the land use rights of the property was acquired on 15 July 2005, the total cost expended on the land acquisition was RMB2,282,880.

- ii. According to the Building Ownership Certificate Shu Cheng Zi No. 0000139, the title of the buildings having a total gross floor area of approximately 83,264.25 sq.m. is vested in Tianneng Jiangsu for production workshop and its ancillary use purposes.
- iii. The PRC legal opinion states that, inter alia, Tianneng Jiangsu has fully settled the premium for the land use rights and paid taxes for the land use rights and buildings. The land use rights certificate and building ownership certificate held by Tianneng Jiangsu are legal and effective. Within the granted year term of the land use rights, Tianneng Jiangsu may use, assign, lease or mortgage the buildings and land use rights in accordance with the laws.

Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
6. A dormitory complex located at Yuhuan Road, South Area, Shuyang County Economic Development Zone, Jiangsu Province, The PRC	<p>The property comprises a parcel of land having a site area of approximately 40,000 sq.m. together with the buildings and structures erected thereon.</p> <p>The buildings having a total gross floor area of approximately 15,519 sq.m. were completed in 2006.</p> <p>The buildings and structures mainly include 2 dormitory blocks, a canteen, boiler house and guard house, together with the associated road works and fencing wall.</p> <p>The property is held with the land use rights for a term expiring on 3 April 2056.</p>	The property is occupied by the Group as staff quarters.	RMB14,100,000

*Notes:*

- i. According to the State-owned Land Use Rights Certificate Shu Guo Yong (2005) 27046, the land use rights of the property having a total site area of approximately 40,000 sq.m. have been granted to 浙江天能電池(江蘇)有限公司(Zhejiang Tianneng Battery (Jiangsu) Co., Ltd or "Tianneng Jiangsu") for a term expiring on 3 April 2056 for industrial use.
 

According to the Company, the land use rights of the property was acquired on 27 March 2006, the total cost expended on the land acquisition was RMB858,864.
- ii. According to the Building Ownership Certificate Shu Cheng Zi No.0000138, the title of the buildings having a total gross floor area of approximately 15,519 sq.m. is vested in Tianneng Jiangsu for dormitory and ancillary uses.
- iii. The PRC legal opinion states that, *inter alia*, as follows:
  - (1) Tianneng Jiangsu has fully settled the premium for the land use rights and paid taxes for the land use rights and buildings. The land use rights certificate and building ownership certificate held by Tianneng Jiangsu are legal and effective. Within the granted year term of the land use rights, Tianneng Jiangsu may use, assign, lease or mortgage the buildings and land use rights in accordance with the laws.
  - (2) The property are subject to a mortgage. The exercise of the property rights by Tianneng Jiangsu is restricted by that mortgage agreement.
- iv. There are construction of two dormitory blocks with a total planned construction floor area of approximately 18,080 sq.m. in progress on the site. The construction has been approved with Construction Works Planning Permit No. Shu Gui Zheng Yi Zi (2006) 063 and Construction Works Commencement Permit No. 320823200608280361. According to the Company, the scheduled date of completion for them is in around July 2007. As at the date of valuation, the total construction costs expended on them was approximately RMB4,430,000. The outstanding construction costs to complete the construction were approximately RMB5,150,000. The valuation has not taken into account the construction costs expended.

Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
7. An industrial complex located at the junction of Lungshan Road and Fengminghu Road, Xikaihu Industrial Park, Wuhu City Economic and Technology Development Zone, Anhui Province, The PRC	<p>The property comprises a parcel of land having a site area of approximately 40,594.79 sq.m. together with the buildings and structures erected thereon.</p> <p>The buildings having a total gross floor area of approximately 15,531 sq.m. were completed in 2005.</p> <p>The buildings and structures mainly include 5 workshops together with their associated roadworks and fencing wall.</p> <p>The property is held with the land use rights for a term of 50 years commencing from 29 October 2004.</p>	The property is occupied by the Group as production workshop.	RMB21,500,000 (see footnote (iii))

---

*Notes:*

- i. According to the State-owned Land Use Rights Certificate Wu Guo Yong (2007) 068, the land use rights of the property having a total site area of approximately 40,594.79 sq. m. have been granted to 天能電池(蕪湖)有限公司(Tianneng Battery (Wuhu) Co., Ltd or "Tianneng Wuhu") for industrial use for a term of 50 years commencing from 29 October 2004.
- ii. According to the Realty Title Certificates Fang Di Quan Wu Kai Fa Qu Zi Nos.2007014311 and 2007014114, the title of the buildings having a total gross floor area of approximately 15,531.47 sq.m. is vested in Tianneng Wuhu for industrial use.
- iii. According to an agreement for the assignment of workshops entered into between 蕪湖市經濟技術開發區房地產開發公司 (the Assignor) and Tianneng Wuhu (the Assignee) dated 21 March 2007, the property was agreed to be assigned to Tianneng Wuhu at a total consideration of RMB21,440,000.

According to the Company, Tianneng Wuhu had fully settled the purchase price of the property on 10 May 2007. As at the valuation date, 31 March 2007, the outstanding balance on the purchase price of the property was RMB8,100,000. The valuation has been arrived at on the basis that the purchase price had been fully settled and has not taken into account the outstanding balance on the valuation date.



- iv. The PRC legal opinion states, *inter alia*, as follows:
- (1) The context and format of the agreement for the assignment of workshops entered into between 蕪湖市經濟技術開發區房地產開發公司 and Tianneng Wuhu are complied with the requirements of the PRC laws. The acquisition of the property via assignment by Tianneng Wuhu is protected by the PRC laws.
  - (2) Tianneng Wuhu has settled the purchase payments in accordance with the agreement.
  - (3) The land use rights certificate and realty title certificates held by Tianneng Wuhu are legal and effective. Within the granted year term of the land use rights, Tianneng Wuhu may use, assign, lease or mortgage the buildings and land use rights in accordance with the laws.

Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
8. A parcel of land located to the west of Fengminghu North Road, Xikaihu Industrial Park, Wuhu City Economic and Technology Development Zone, Anhui Province, The PRC	<p>The property comprises a parcel of land having a site area of approximately 46,667 sq.m.</p> <p>The property is held with the land use rights for a term of 50 years commencing from 31 March 2007.</p>	The property is occupied and reserved by the Group for future production expansion.	RMB7,060,000

**Notes:**

- i. According to the State-owned Land Use Rights Certificate Wu Kai Guo Yong (2007) 030, the land use rights of the property having a total site area of approximately 46,667.13 sq. m. have been granted to Tianneng Wuhu for industrial use for a term of 50 years commencing from 31 March 2007.
- ii. According to the State-owned Land Use Rights Contract Hu Kai 2007008 dated 22 March 2007, the land use rights of the property was agreed to be granted from the Land Resource Bureau of Economic and Technology Development Zone of Wuhu City to Tianneng Wuhu for industrial use for a term of 50 years commencing from the date of site delivery at a land use rights premium of RMB7,000,069.5. Further details on the requirements of the land use are as follows:
 

(a) Major construction	Industrial workshop
(b) Ancillary construction	Guard house and ancillary buildings
(c) Plot ratio	More than 0.7
(d) Site coverage	Not less than 30%
(e) Building Covenant	Construction started in two months from the date of site delivery
(f) Alienation Clause	Assignable after 25% or above in monetary amount on site development has been completed
- iii. The PRC legal opinion states, *inter alia*, as follows:
  - (1) The context and format of the land use rights grant contract entered into between Land Resource Bureau of Economic and Technology Development Zone of Wuhu City and Tianneng Wuhu are complied with the requirements of the PRC laws. The acquisition of the property via assignment by Tianneng Wuhu is protected by the PRC laws.
  - (2) Tianneng Wuhu settled the land use rights premium on 30 March 2007. The agreement is enforceable.
  - (3) The land use rights certificate held by Tianneng Wuhu are legal and effective. Within the granted year term of the land use rights, Tianneng Wuhu may use, assign, lease or mortgage the land use rights in accordance with the laws.

## Group II — Property interests rented by the Group in Hong Kong

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<b>Capital Value in existing state as at 31 March 2007</b>
9. Unit No.5509, 55th Floor, Central Plaza No.18 Harbour Road, Wanchai, Hong Kong	<p>The property comprises an office unit on the 55th floor of a 78-storey office tower completed in about 1992.</p> <p>The property has a lettable floor area of approximately 1,152 sq.ft.</p>	<p>The property is rented by the Group for a term of 2 years from 1 November 2006 at a monthly rent of HK\$55,288, exclusive of rates and service charges.</p> <p>The property is occupied by the Group as office.</p>	No commercial value

Note:

The registered owners of the property are Cheer City Properties Limited and Protasan Limited (tenants in common with 1/2 share each), independent third parties of the Company.