
APPENDIX III

PROPERTY VALUATION

The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this document received from CB Richard Ellis Limited, an independent valuer, in connection with their valuations as at [30 June 2009] of our property interests.

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[● 2009]

The Board of Directors
Modern Media Holdings Limited
9th Floor,
Zung Fu Industrial Building,
No. 1067 King’s Road,
Quarry Bay,
Hong Kong

Dear Sirs,

In accordance with your instruction for us to value the property interests held by Modern Media Holdings Limited (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) in the People’s Republic of China (the “PRC”) and 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 capital values of such property interests as at 30 June 2009 (the “Date of Valuation”).

Our valuation is our opinion of Market Value which is defined 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.”

Our valuation is prepared in accordance with the “First Edition of The HKIS Valuation Standards on Properties” published by The Hong Kong Institute of Surveyors (the “HKIS”). We have also complied with all requirements contained in Paragraph 34(2), (3) of Schedule 3 of the Companies Ordinance (Cap. 32) and Chapter 5, Practice Note 12 and Practice Note 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Our valuation has been made on the assumption that the owner sells the properties on the open market without benefit or burden of any deferred term contract, leaseback, joint venture, management agreement or other similar arrangement, which would serve to affect the values of the property interests.

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

The property interests are valued by the direct comparison method on the assumption that each property can be sold with the benefit of vacant possession. Comparison is based on prices realized on actual transactions or asking prices of comparable properties. Comparable properties with similar sizes, characters and locations are analyzed, and carefully weighted against all respective advantages and disadvantages in order to arrive at a fair comparison of value.

For the property interests in Group I which are held by the Group for occupation in the PRC, we have valued the property interests by the direct comparison method.

For the property interests in Group II and Group III which are rented by the Group in the PRC and Hong Kong respectively, we have ascribed "No Commercial Value" to the property interests primarily due to the prohibition against assignment or sub-letting and the lack of substantial profit rent.

In the course of our valuation for the property interests in the PRC, we have been advised by the legal opinion provided by the Group's PRC legal advisor, Jingtian & Gongcheng. We have been provided with extracts from title documents relating to such property interests. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which do not appear on the copies handed to us. All documents have been used for reference only.

For the property interests in Hong Kong, we have caused searches to be made at the Land Registry in Hong Kong. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments that may not appear on the copies handed to us.

Under the current planning approval system in China, valuers are not able to undertake any planning approval verification freely and swiftly. We have relied to a considerable extent on the information given by the Group, in particular, but not limited to, planning approvals, statutory notices, easements, occupancy and floor areas. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificate are only approximations. We have assumed that the areas shown on the documents handed to us are correct. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to the valuation. We were also advised by the Group that no material fact has been omitted from the information provided to us.

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We have inspected the properties to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defect. However, we have not carried out any structural survey nor any test on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defect.

All monetary amounts are stated in Renminbi (“RMB”).

We enclose herewith a summary of values and our valuation certificate.

Yours faithfully,
For and on behalf of
CB Richard Ellis Limited
Leo M Y Lo
MHKIS MRICS
Director
Valuation & Advisory Services

Note: Mr. Lo is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors. He has over 6 years’ valuation experience in the PRC and Hong Kong.

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SUMMARY OF VALUES

Property	Capital Value in existing state as at 30 June 2009 (RMB)	Interests attributable to the Group	Capital value attributable to the Group as at 30 June 2009 (RMB)
Group I—Property interests held by the Group for occupation in the PRC			
1. Units 401&501, China View, Jia No.2 Gongrentiyuchang East Road, Chaoyang District, Beijing City, the PRC	45,200,000	100%	45,200,000
Sub-total:			<u>45,200,000</u>
Group II—Property interests rented by the Group in the PRC			
2. Units A, B & C on 10/F, Exhibition Centre, No. 1 Software Park Road, Zhuhai City, Guangdong Province, the PRC			No Commercial Value
3. 13 Units on 29/F, West Tower, Qiushi Building, Zhuzilin, Shennan Boulevard, Futian District, Shenzhen City, Guangdong Province, the PRC			No Commercial Value
4. Office units No. 8A to 8H on Level 8, Unit No. 9AB on Level 9 and Unit No. 11F on Level 11, No.111-115, Ti Yu Xi Road, Jianhe Centre, Tianhe District, Guangzhou City, Guangdong Province, the PRC			No Commercial Value

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Property	Capital Value in existing state as at 30 June 2009 (RMB)	Interests attributable to the Group	Capital value attributable to the Group as at 30 June 2009 (RMB)
5. Rooms 110, 114, 517 and 518, No.56 Shui Yin Road, Yuexiu District, Guangzhou City, Guangdong Province, the PRC			No Commercial Value
6. Various office units on the whole floor of Level 49, office unit 5303 on Level 53 and 6 car parking spaces, Hong Kong New World Tower, No.300 Huaihai Road (M), Luwan District, Shanghai City, the PRC			No Commercial Value
7. Office units 209, 402, 404 and a warehouse on Level 1, Ruijin Business Center, 96 Zhao Jia Bang Road, Luwan District, Shanghai City, the PRC			No Commercial Value
8. Unit 307, Block 2, No.250 Chuan Chang Road, Xuhui District, Shanghai City, the PRC			No Commercial Value
9. Unit M on Level 10, No.86 Section 1 of Renmin South Road, Qinyang District, Chengdu City, Sichuan Province, the PRC			No Commercial Value
10. A car parking garage, No.11 Block 5, Wutai Garden, Gulou District, Nanjing City, Jiangsu Province, the PRC			No Commercial Value

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Property	Capital Value in existing state as at 30 June 2009 (RMB)	Interests attributable to the Group	Capital value attributable to the Group as at 30 June 2009 (RMB)
11 An office unit, No.40 Shanghai Road, Gulou District, Nanjing City, Jiangsu Province, the PRC			No Commercial Value
12 Room 1708, Yindu Building, No. 385 De Sheng Road, Gongshu District, Hangzhou City, Zhejiang Province, the PRC			No Commercial Value
13 A car parking garage, Sheng Du Apartment, No.385 De Sheng Road, Gong Shu District, Hangzhou City, Zhejiang Province, the PRC			No Commercial Value
14 Unit 2413, Fu Si Te Mansion, No.85 Pujiang Road, Nan Gang District, Harbin City, Heilongjiang Province, the PRC			No Commercial Value
15 Unit 103 and 401, Block No.2, Jiulong Mountain Garden, Guangqu Road, Chaoyang District, Beijing City, the PRC			No Commercial Value
16 Unit 3-2-2103, Cheng Ji Trade Center, Northeast of the conjunction of Xi An Road and Chang Sha Road, Heping District, Tianjin City, the PRC			No Commercial Value

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Property	Capital Value in existing state as at 30 June 2009 (RMB)	Interests attributable to the Group	Capital value attributable to the Group as at 30 June 2009 (RMB)
17 Unit 106, No.84 Ying Kou Dao, Heping District, Tianjin City, the PRC			No Commercial Value
18 Room 1-15-4, Zhengda Plaza, No.16 Tong Ze Street South, Heping District, Shenyang City, Liaoning Province, the PRC			No Commercial Value
19 Unit B37 on Level 2, No.1377 Bao Gang Avenue, Haizhu District, Guangzhou City, Guangdong Province, the PRC			No Commercial Value
		Sub-total:	No Commercial Value

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Property	Capital Value in existing state as at 30 June 2009 (RMB)	Interests attributable to the Group	Capital value attributable to the Group as at 30 June 2009 (RMB)
Group III—Property interests rented by the Group in Hong Kong			
20 9th Floor, Zung Fu Industrial Building, No. 1067 King’s Road, Quarry Bay, Hong Kong			No Commercial Value
	Sub-total:		No Commercial Value
	Total:		<u>45,200,000</u>

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Group I — Property interests held by the Group for occupation in the PRC

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
1. Units 401&501, China View, Jia No.2 Gongrentiyuchang East Road, Chaoyang District, Beijing City, the PRC	<p>The property comprises two office units, with a total gross floor area of approximately 2,207.28 sq.m., in a 14-storey office building that was completed in 2007.</p> <p>The land use rights of the property is held for a land use term of 50 years with the expiry date on 5 January 2054.</p>	The property is currently occupied by the Group as an office.	45,200,000 (100% interests attributable to the Group: RMB45,200,000)

Notes:

- a. Pursuant to the Commodity House Presale Contract entered into between Beijing Sheng Ce Real Estate Development Co., Ltd. (北京勝策房地產開發有限公司) and Shenzhen Yage Zhimei Information Media Co., Ltd. (深圳市雅格致美資訊傳播有限公司) dated 21 July 2007, the property with a total gross floor area of approximately 2,203.23 sq.m. was purchased by the Group for office use at the consideration of RMB37,454,910.
- b. Pursuant to the Building Ownership Certificates X Jing Fang Quan Zheng Chao Zi Nos. 644557 and 617621, the property with a total gross floor area of approximately 2,207.28 sq.m. is held by Shenzhen Yage Zhimei Information Media Co., Ltd. (深圳市雅格致美資訊傳播有限公司).
- c. As advised by the Group, the property is subject to a mortgage.
- d. We have been provided with a legal opinion on the property prepared by the Group’s legal advisor which contains, inter alia, the following information:
 - i. Shenzhen Yage Zhimei legally and wholly owns the property.
 - ii. According to the Real Estate Mortgage Contract Nos. 35265 and 35219 (“Mortgage Contract”) dated 27 August 2008 and 5 January 2009 respectively, the property under the Building Ownership Certificates X Jing Fang Quan Zheng Chao Zi Nos. 644557 and 617621 have been mortgaged to Guangzhou Branch of the Bank of East Asia with the loan interest rate of 8.613% and 6.534% for the consideration of RMB10,543,570 and RMB8,183,885 respectively for a term of 10 years.
 - iii. Shenzhen Yage Zhimei has the rights to occupy and use the property. Pursuant to the relevant PRC laws and regulations and the relevant terms in the Mortgage Contract, Shenzhen Yage Zhimei also has the rights to lease, sell or transfer the property with the prior written consent from Guangzhou Branch of the Bank of East Asia.
 - iv. Shenzhen Yage Zhimei, the owner of the property is a limited liability company established in accordance with the laws of the PRC, is held by PRC nationals and/or entities on behalf of the Group.

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Group II — Property interests rented by the Group in the PRC

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
2. Units A, B & C on 10/F, Exhibition Centre, No. 1 Software Park Road, Zhuhai City, Guangdong Province, the PRC	<p>The property comprises the whole 10th floor in an industrial building completed in 2006.</p> <p>The total gross floor area of the property is approximately 1,549 sq.m.</p> <p>The property is leased by Zhuhai Southern Software Park Development Co., Ltd (珠海南方軟件園發展有限公司) to the Group via three tenancy agreements for a term of 5 years from 1 September 2008 to 31 August 2013 for a rent free period of 1 year, monthly rents of RMB30,976.2 for the second and the third years and RMB34,073.82 thereafter.</p>	The property is occupied by the Group as an office.	No Commercial Value

Notes:

- a. Pursuant to the Realty Title Certificate Yue Fang Di Zheng Zi No. C5220804 dated 4 January 2007, the property with a total gross floor area of approximately 65,134.56 sqm is held by Zhuhai Southern Software Park Development Co., Ltd. (珠海南方軟件園發展有限公司) for industrial use with expiry date on 17 March 2044.
- b. We were advised that the owner is an independent third party of the Group.
- c. We have been provided with a legal opinion on the property prepared by the Group’s legal advisor which contains, inter alia, the following information:
 - i. The owner is entitled to lease the property. The tenancy agreements are legal, valid and legally enforceable on both parties.
 - ii. Zhuhai Technology, Zhuhai Yinhu and Zhuhai Modern Zhimei (“the Lessee”) have the right to occupy and use the property.
 - iii. Although the property is for industrial use, the owner has contracted to lease it to the Lessee as an office and the Lessee will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.
 - iv. The tenancy agreements of the property have been registered.

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Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
3. 13 Units on 29/F, West Tower, Qiushi Building, Zhuzilin, Shennan Boulevard, Futian District, Shenzhen City, Guangdong Province, the PRC	<p>The property comprises 13 units on Level 29 in a commercial apartment building completed in 2005.</p> <p>The total gross floor area of the property is approximately 597 sq.m.</p> <p>The Property is leased by Shenzhen Hejiashun Industrial Co., Ltd.(深圳市和佳順實業有限公司) and subleased by Tian Jin Hui Trade (Shenzhen) Co., Ltd. (天金輝貿易深圳有限公司) to the Group via four tenancy agreements for various terms with the latest expiry date on 30 April 2010 for a monthly rent of RMB29,840.</p>	The property is occupied by the Group as an office.	No Commercial Value

Notes:

- a. Pursuant to the following Realty Title Certificates dated 28 November 2005, the property with a total gross floor area of approximately 596.80 sq.m. is held by Shenzhen Hejiashun Industrial Co., Ltd. (深圳市和佳順實業有限公司) for commercial apartment use with the expiry date on 13 January 2073.

Realty Title Certificate Number	Unit	Gross Floor Area (sq.m.)
Shen Fang Di Zheng Zi No. 3000366121	2901	107.73
Shen Fang Di Zheng Zi No. 3000366119	2902	36.80
Shen Fang Di Zheng Zi No. 3000366128	2903	61.71
Shen Fang Di Zheng Zi No. 3000366129	2905	40.82
Shen Fang Di Zheng Zi No. 3000366122	2906	40.82
Shen Fang Di Zheng Zi No. 3000366123	2908	61.71
Shen Fang Di Zheng Zi No. 3000366124	2909	36.84
Shen Fang Di Zheng Zi No. 3000366125	2910	36.84
Shen Fang Di Zheng Zi No. 3000366126	2911	29.54
Shen Fang Di Zheng Zi No. 3000366127	2912	29.54
Shen Fang Di Zheng Zi No. 3000366115	2913	36.81
Shen Fang Di Zheng Zi No. 3000366118	2915	31.19
Shen Fang Di Zheng Zi No. 3000366114	2916	46.45
	Total:	596.80

- b. Pursuant to the Certificate issued by Shenzhen Hejiashun Industrial Co., Ltd.(深圳市和佳順實業有限公司) dated 24 April 2009, Tian Jin Hui Trade (Shenzhen) Co., Ltd. (天金輝貿易深圳有限公司) is permitted to sublease Unit 2915 of the property with a total gross floor area of approximately 31.19 sq.m. to the Group.
- c. We were advised that the owner is an independent third party of the Group.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
- i. The lessors are entitled to lease the property. The tenancy agreements are legal, valid and legally enforceable on both parties.
 - ii. Shenzhen Yazhimei and Shenzhen Yage Zhimei ("the Lessee") have the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. Except the tenancy agreement of Unit 2915, the remaining tenancy agreements have been registered.
 - v. For the tenancy agreement which has not been submitted to the relevant PRC government administrative department for registration, the Lessee will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

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Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
4. Office units No. 8A to 8H on Level 8, Unit No. 9AB on Level 9 and Unit No. 11F on Level 11, No.111-115, Ti Yu Xi Road, Jianhe Centre, Tianhe District, Guangzhou City, Guangdong Province, the PRC	<p>The property comprises 9 office units, with a total gross floor area of approximately 2,026 sq.m., in a 29-storey office tower.</p> <p>The property is leased by Guangzhou Jian Xing Decoration Project Co., Ltd. (廣州市建興裝飾工程有限公司) and Guangzhou Duo Li Property Management Co., Ltd. (廣州市多利物業管理有限公司) to the Group via four tenancy agreements for various terms with the latest expiry date on 31 August 2009 for a monthly rent of RMB163,330.4.</p>	The property is occupied by the Group as an office.	No Commercial Value

Notes:

- a. Pursuant to the following Realty Title Certificates, the owner of the following parts of the property with a total gross floor area of approximately 1,715.86 sq.m. is Guangzhou Jian Xing Decoration Project Co., Ltd. (廣州市建興裝飾工程有限公司). The following parts of the property is for office use with commencing date on 21 December 1993.

Real Estate Title Certificate Number	Unit	Gross Floor Area (sq.m.)
Sui Fang Di Zheng Zi No.0489140	Unit 8A	158.30
Sui Fang Di Zheng Zi No.0489141	Unit 8B	147.86
Sui Fang Di Zheng Zi No.0489142	Unit 8CD	574.03
Sui Fang Di Zheng Zi No.0489143	Unit 8E	232.51
Sui Fang Di Zheng Zi No.0489144	Unit 8F	314.51
Sui Fang Di Zheng Zi No.0489145	Unit 8G	109.81
Sui Fang Di Zheng Zi No.0489146	Unit 8H	81.33
Sui Fang Di Zheng Zi No.0489166	Unit 11F	96.51
Total:		1,714.86

- b. Pursuant to the Realty Title Certificate Sui Fang Di Zheng Zi No.0489147, the owner of Unit 9AB of the property with gross floor area of approximately 311.13 sq.m. is Guangzhou Duo Li Property Co., Ltd. (廣州市多利置業有限公司). This part of the property is for office use with commencing date on 21 December 1993.
- c. We were advised that the owners are independent third party of the Group.
- d. Pursuant to the Certificate proved by Guangzhou Industrial and Commercial Bureau Archive dated 26 October 2000, Guangzhou Duo Li Property Co., Ltd. (廣州市多利置業有限公司) has been renamed as Guangzhou Duo Li Property Management Co., Ltd. (廣州市多利物業管理有限公司) from 8 October 2000.

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- e. We have been provided with a legal opinion on the property prepared by the Group’s legal advisor which contains, inter alia, the following information:
 - i. The owner is entitled to lease the property. The tenancy agreement is legal, valid and legally enforceable on both parties.
 - ii. Guangzhou Modern Information, Guangzhou Yage and Zhuhai Technology (“the Lessee”) have the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. The tenancy agreement of the property has been registered.

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Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
5. Rooms 110, 114, 517 and 518, No.56 Shui Yin Road, Yuexiu District, Guangzhou City, Guangdong Province, the PRC	<p>The property comprises 4 office units with a total gross floor area of approximately 315 sq.m..</p> <p>The building was completed in 1993.</p> <p>The property is leased by Kong Jun Hang Cai Si Zhan Guangzhou Provision Station (空軍航材四站廣州採購供應站) to the Group via two tenancy agreements for various terms with the latest expiry date on 28 February 2010 for a monthly rent of RMB8,543.</p>	The property is occupied by the Group as offices.	No Commercial Value

Notes:

- Pursuant to the Realty Title Certificate, the owner of the building with a total gross floor area of approximately 23,734.64 sq.m., in which the property is located therein, is The General Logistics Department of PLA (中國人民解放軍總後勤部).
- We were advised that the owner is an independent third party of the Group.
- Pursuant to various tenancy agreements entered into between Kong Jun Hang Cai Si Zhan Guangzhou Provision Station (空軍航材四站廣州採購供應站) (Party A) and the Group, Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, inter alia, as following:

Unit	Contract Number	Tenant	Landlord	Gross Floor Area (Sq.m.)	Monthly Rent (RMB)	Lease Term
Room 114,517 & 518	No. 92801	Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司)	Kong Jun Hang Cai Si Zhan Guangzhou Provision Station (空軍航財四站廣州採購供應站)	225.00	6,743	1 June 2009 - 31 May 2010
Room 110	2009Kong Fang Zu He Zi No.064002	Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司)	Kong Jun Hang Cai Si Zhan Guangzhou Provision Station (空軍航財四站廣州採購供應站)	90.00	1,800.00	1 March 2009 - 28 February 2010
Total:				315.00	8,543	

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- i. The current monthly rent of RMB8,543 is agreed.
- ii. The rent of Units 114, 517 and 518 is exclusive of management fee and other outgoings, and the rent of Unit 110 is inclusive of management fee but exclusive of other outgoings.
- iii. The Group cannot sublet part or whole property to third party without the written consent from Party A.
- d. Pursuant to the Jun Dui Dan Wei Dui Wai You Chang Xu Ke Zheng No.KJ060223 (軍隊單位對外有償服務許可證) issued by the owner of the property dated 1 April 2007, Kong Jun Hang Cai Si Zhan Guangzhou Provision Station (空軍航材四站廣州採購供應站) is permitted to sublease the property.
- e. We have been provided with a legal opinion on the property prepared by the Group’s legal advisor which contains, inter alia, the following information:
 - i. Party A is entitled to lease the property. The tenancy agreements are legal, valid and legally enforceable on both parties.
 - ii. Guangzhou Modern Books has the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. Although these tenancy agreements have not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

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Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
6. Various office units on the whole floor of Level 49, office unit 5303 on Level 53 and 6 car parking spaces, Hong Kong New World Tower, No.300 Huaihai Road (M), Luwan District, Shanghai City, the PRC	<p>The property comprises a whole floor on Level 49 and an office unit on Level 53 with a total gross floor area of approximately 2,196.74 sq.m. and 4 car parking spaces on Level 7 and 2 car parking spaces on Level 8 in a 60-storey office tower.</p> <p>The property is leased by Shanghai New World Huaihai Property Development Co., Ltd (上海新世界淮海物業發展有限公司.) to the Group via 9 tenancy agreements for various terms with the latest expiry date on 9 December 2009 for a total monthly rent of RMB685,881.6.</p>	<p>The whole floor on Level 49 and Unit 5303 on Level 53 of the property are currently occupied by the Group as offices.</p> <p>The remaining portion of the property is occupied by the Group as car parking spaces.</p>	No Commercial Value

Notes:

- a. Pursuant to the Shanghai Certificate of Real Estate Ownership No. Hu Fang Di Lu Zi (2006) Di 003200 Hao dated 9 November 2006 issued by Shanghai Housing and Land Resources Administration Bureau (上海市房屋土地管理局), the owner of the building with a total gross floor area of approximately 130,384.17 sq.m., in which the property is located therein, is Shanghai New World Huaihai Property Development Co., Ltd. (上海新世界淮海物業發展有限公司). The property is for mixed use with the expiry date on 1 December 2044.
- b. We were advised that the owner is an independent third party of the Group.

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- c. Pursuant to various tenancy agreements entered into between Shanghai New World Huaihai Property Development Co., Ltd. (上海新世界淮海物業發展有限公司) (Party A) and the Group, Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:

Unit	Registered Number	Tenant	Gross Floor Area (Sq.m.)	Monthly Rent (RMB)	Lease Term
Office unit 4904	Lu 200703005107	Shanghai Yage Advertising Co., Ltd. (上海雅格廣告有限公司)	588.51	177,215.1	1 September 2007 - 31 August 2010
Office unit 4901-4903	Lu 200703005109	Shanghai Gezhi Advertising Co., Ltd. (上海格致廣告有限公司)	1,177.0	354,424.1	1 September 2007 - 31 August 2010
Office unit 5303	Lu 200803001618	Shanghai Gezhi Advertising Co., Ltd. (上海格致廣告有限公司)	431.23	144,282.4	1 June 2008 - 31 August 2010
Car parking space No. 7-51	N/A	Shanghai Gezhi Advertising Co., Ltd. (上海格致廣告有限公司)		1,660	16 June 2009 - 15 June 2010
Car parking space No. 7-56	N/A	Shanghai Yage Advertising Co., Ltd. (上海雅格廣告有限公司)		1,660	20 March 2009 - 19 March 2010
Car parking space No. 7-58	N/A	Shanghai Gezhi Advertising Co., Ltd. (上海格致廣告有限公司)		1,660	10 December 2008 - 9 December 2009
Car parking space No. 7-59	N/A	Shanghai Gezhi Advertising Co., Ltd. (上海格致廣告有限公司)		1,660	10 December 2008 - 9 December 2009
Car parking space No. 8-22	N/A	Shanghai Gezhi Advertising Co., Ltd. (上海格致廣告有限公司)		1,660	10 December 2008 - 9 December 2009
Car parking space No. 8-23	N/A	Shanghai Gezhi Advertising Co., Ltd. (上海格致廣告有限公司)		1,660	10 December 2008 - 9 December 2009
Total:			2,196.74	685,881.6	

- i. The total monthly rent of RMB685,881.6 is agreed.
- ii. The rent is exclusive of management fee and other outgoings.
- iii. The Group cannot sublet part or whole property to third party without the written consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group’s legal advisor which contains, *inter alia*, the following information:
- i. The owner is entitled to lease the property. The tenancy agreements are legal, valid and legally enforceable on both parties.
- ii. Shanghai Gezhi and Shanghai Yage (“the Lessee”) have the right to occupy and use the property.
- iii. The property has been used for its prescribed use.
- iv. Except the tenancy agreements of the car parking spaces, the remaining tenancy agreements of the property have been registered.
- v. For the tenancy agreements which have not been submitted to the relevant PRC government administrative department for registration, the Lessee will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
7. Office units 209, 402, 404 and a warehouse on Level 1, Ruijin Business Center, 96 Zhao Jia Bang Road, Luwan District, Shanghai City, the PRC	<p>The property comprises 3 office units with a total gross floor area of approximately 271.56 sq.m. and a warehouse with a gross floor area of approximately 40 sq.m. in a 7-storey office building.</p> <p>The property is leased by Shanghai Rong Yuan Real Estate Development Co., Ltd. (上海榮遠房地產開發經營有限公司) and Shanghai Rong Guang Business Center Co., Ltd. (上海榮廣商務中心有限公司) to the Group via three tenancy agreements for a term of 1 year with the latest expiry date on 7 September 2009 for a total monthly rent of RMB22,753.</p>	The property is occupied by the Group as office space, studio and warehouse.	No Commercial Value

Notes:

- a. Pursuant to the Building Ownership Certificate Hu Fang Lu Zi No. 0023564 dated 9 July 1995, the owner of the property is Shanghai 11th Knitting Mill (上海針織十一廠).
- b. Pursuant to the Certificate dated 30 June 2001 issued by Shanghai 11th Knitting Mill (上海針織十一廠), the building stated in Note a was leased to Shanghai Rong Yuan Real Estate Development Co., Ltd. (上海榮遠房地產開發經營有限公司) for renovation, development and management for a term of 15 years commencing from 1 March 2001.
- c. Pursuant to the Consignment Agreement entered into between Shanghai Rong Yuan Real Estate Development Co., Ltd. (上海榮遠房地產開發經營有限公司) and Shanghai Rong Guang Business Center Co., Ltd. (上海榮廣商務中心有限公司), the building stated in Note a was agreed to be operated and managed by Shanghai Rong Guang Business Center Co., Ltd. (上海榮廣商務中心有限公司) from 1 January 2008 to 31 December 2018.
- d. We were advised that the owner is an independent third party of the Group.
- e. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. The lessors are entitled to lease the property. The tenancy agreements are legal, valid and legally enforceable on both parties.
 - ii. Shanghai Yage and Guangzhou Modern Books ("the Lessee") have the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. The tenancy agreements of unit 404, 402 and 209 have been registered
 - v. For the tenancy agreements which have not been submitted to the relevant PRC government administrative department for registration, the Lessee will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
8. Unit 307, Block 2, No.250 Chuan Chang Road, Xuhui District, Shanghai City, the PRC	<p>The property comprises one warehouse unit with a total gross floor area of approximately 99.4 sq.m. in a 5-storey industrial building completed in 1993.</p> <p>The property is leased by Shanghai Xuhui Business Development Co., Ltd. (上海徐匯商業建設發展有限公司) to the Group for a term of 2 years with the expiry date on 14 August 2009 for a monthly rent of RMB3,930.</p>	The property is occupied by the Group as a warehouse.	No Commercial Value

Notes:

- a. Pursuant to the Shanghai Certificate of Real Estate Ownership No. Hu Fang Di Xu (2001) Di 066307 Hao dated 27 November 2001 issued by Shanghai Housing and Land Resources Administration Bureau (上海市房屋土地管理局), the owner of the building with a total gross floor area of approximately 5,682.39 sq.m., in which the property is located therein, is Shanghai Xuhui Business Development Co., Ltd. (上海徐匯商業建設發展有限公司). The property is for industrial use.
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to the tenancy agreement entered into between Shanghai Xuhui Business Development Co., Ltd. (上海徐匯商業建設發展有限公司) and Shanghai Yage Advertising Co., Ltd. (上海雅格廣告有限公司), the property is leased to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The total monthly rent of RMB3,930 is agreed.
 - ii. The lease term is commenced from 15 August 2007 to 14 August 2009.
 - iii. The rent is exclusive of management fee and other outgoings.
 - iv. The Group cannot sublet part or whole property to third party without the written consent from Party A.
- d. After the date of valuation, Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司) has renewed the tenancy agreement with Shanghai Xuhui Business Development Co., Ltd. (上海徐匯商業建設發展有限公司) for a term of 2 years with the expiry date on 14 August 2011 for a monthly rent of RMB3,930.
- e. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. The owner is entitled to lease the property. The tenancy agreements are legal, valid and legally enforceable on both parties.
 - ii. Shanghai Yage and Guangzhou Modern Books have the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Shanghai Yage and Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
9. Unit M on Level 10, No.86 Section 1 of Renmin South Road, Qingyang District, Chengdu City, Sichuan Province, the PRC	<p>The property comprises an office unit with a total gross floor area of approximately 57 sq.m. on Level 10 in an office building.</p> <p>The property is leased by Sichuan Xinhua Publication Group Co., Ltd. (四川新華發行集團有限公司) to the Group with the term commencing from 15 June 2008 to 31 December 2009 for a monthly rent of RMB5,162.</p>	The property is occupied by the Group as an office.	No Commercial Value

Notes:

- a. Pursuant to the Building Ownership Certificate Cheng Fang Quan Zheng Jian Zheng Zi No. 1279330 issued by Housing Management Bureau of Chengdu Municipal (成都市房產管理局), the owner of the building with a total gross floor area of approximately 7,175.20 sqm, in which the property is located therein, is Sichuan Xinhua Publication Group Co., Ltd. (四川新華發行集團有限公司). The property is for office use.
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to the tenancy agreement No. Chengdu 2008142 entered into between Sichuan Xinhua Publication Group Co., Ltd. (四川新華發行集團有限公司) (Party A) and Guangzhou Modern Information Media Co., Ltd. (廣州現代資訊傳播有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term is from 15 June 2008 to 31 December 2009.
 - ii. The total monthly rent of RMB5,162.00 and annual rent of RMB61,944.00 is agreed.
 - iii. The rent is exclusive of management fee and other outgoings.
 - iv. The Group cannot sublet part or whole property to third party without written consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. The owner is entitled to lease the property. The tenancy agreement is legal, valid and legally enforceable on both parties.
 - ii. Guangzhou Modern Information has the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Information will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations..

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
10. A car parking garage, No.11 Block 5, Wutai Garden, Gulou District, Nanjing City, Jiangsu Province, the PRC	<p>The property comprises a car parking garage aboveground.</p> <p>As advised by the Group, the total net floor area of the property is approximately 18 sqm.</p> <p>The property is leased by Feng Qipeng (封其鵬) to the Group for a term of 1 year from 10 June 2009 to 10 June 2010 for an annual rent of RMB9,600.</p>	<p>The property is occupied by the Group as a car parking garage.</p>	No Commercial Value

Notes:

- a. Pursuant to the Car Parking Garage Use Rights Transfer Agreement entered into between Xin Chang Railway Co., Ltd. (新長鐵路有限責任公司) and Wu Lixiang (吳立香) and Feng Qipeng (封其鵬) dated 11 April 2005, the use rights of the property has been contracted to be held by Wu Lixiang and Feng Qipeng for a term of 60 years from 11 April 2005 to 11 April 2065 as a car parking garage.
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to the tenancy agreement entered into between Feng Qipeng (封其鵬) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term is from 10 June 2009 to 10 June 2010.
 - ii. The annual rent of RMB9,600 is agreed.
 - iii. The rent is exclusive of management fee and other outgoings.
 - iv. The Group cannot sublet part or whole property to third party without written consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. As the title certificate is not available, the validity of the lessor and the tenancy agreement can not be verified. If the tenancy agreement turned out to be invalid, Guangzhou Modern Books should restore the property and the clauses in terms of dispute resolution should be binding on both parties.
 - ii. Pursuant to the relevant PRC laws and regulations, Guangzhou Modern Books will not thereby suffer from any administrative penalty for renting the property without any title certificate.
 - iii. As the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

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PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
11. An office unit, No.40 Shanghai Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	<p>The property comprises an office unit with a total gross floor area of approximately 23 sq.m. in an office building.</p> <p>The property is leased by Nanjing No. 1 Sanatorium for retired veteran cadres of Combined Services Force of PLA Nanjing Military Region (中國人民解放軍南京軍區聯勤部南京第一離職幹部休養所) to the Group for a term of 1 year commencing from 8 October 2008 to 7 October 2009 for an annual rent of RMB15,000.</p>	The property is occupied by the Group as an office.	No Commercial Value

Notes:

- a. Pursuant to the Notification of Real Estate Title (產權說明) issued by Nanjing No. 1 Sanatorium for retired veteran cadres of Combined Services Force of PLA Nanjing Military Region (中國人民解放軍南京軍區聯勤部南京第一離職幹部休養所) dated 1 January 2006, the property is owned by Nanjing No. 1 Sanatorium for retired veteran cadres of Combined Services Force of PLA Nanjing Military Region (中國人民解放軍南京軍區聯勤部南京第一離職幹部休養所).
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to the tenancy agreement entered into between Nanjing No.1 Sanatorium for retired veteran cadres of Combined Services Force of PLA Nanjing Military Region (中國人民解放軍南京軍區聯勤部南京第一離職幹部休養所) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term is for one year from 8 October 2008 to 7 October 2009.
 - ii. The total annual rent of RMB15,000.00 is agreed.
 - iii. The rent is exclusive of management fee and other outgoings.
 - iv. The Group cannot sublet part or whole property to third party without written consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. As no title certificate is available, the validity of the lessor and the tenancy agreement can not be verified. If the tenancy agreement turned out to be invalid, Guangzhou Modern Books should restore the property and the clauses in terms of dispute resolution should be binding on both parties.
 - ii. Pursuant to the relevant PRC laws and regulations, Guangzhou Modern Books will not thereby suffer from any administrative penalty for renting the property without any title certificate.
 - iii. As the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
12. Room 1708, Yindu Building, No.385 De Sheng Road, Gongshu District Hangzhou City, Zhejiang Province, the PRC	<p>The property comprises 1 unit with net area of approximately 56.90 sq.m. in a 23-storey residential tower.</p> <p>The property is leased by Zhu Guojun (朱國軍) to the Group for a term of 1 year from 1 March 2009 to 28 February 2010 for a monthly rent of RMB1,800.</p>	The property is occupied by the Group as staff dormitory.	No Commercial Value

Notes:

- a. Pursuant to the Building Ownership Certificate Hang Fang Quan Zheng Gong Yi Zi No.0336314, the owner of the property with a total gross floor area of approximately 56.90 sq.m. is Zhu Guoju (朱國軍). The property is for residential use.
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to the tenancy agreement entered into between Zhu Guojun (朱國軍) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), the property is leased to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The total monthly rent of RMB1,800 is agreed.
 - ii. The lease term is commenced from 1 March 2009 to 28 February 2010.
 - iii. The Group cannot sublet part or whole property to third party without the written consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. The owner is entitled to lease the property. The tenancy agreement is legal, valid and legally enforceable on both parties.
 - ii. Guangzhou Modern Books has the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. As the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
13. No. 9 car parking garage, Sheng Du Apartment, No.385 De Sheng Road, Gong Shu District, Hangzhou City, Zhejiang Province, the PRC	As advised by the Group, the property comprises a car parking garage with net floor area of approximately 25 sq.m.. The property is leased by Tang Suchun (湯蘇春) to the Group for a term of 1 year from 1 March 2009 to 28 February 2010 for a monthly rent of RMB650.	The property is occupied by the Group as a car parking garage.	No Commercial Value

Notes:

- a. We have not been provided with any title certificate of the property
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to the tenancy agreement entered into between Tang Suchun (湯蘇春) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term is for 1 year from 1 March 2009 to 28 February 2010.
 - ii. The total monthly rent of RMB 650.
 - iii. The Group cannot sublet part or whole property to third party without the written consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. As the title certificate is not available, the validity of the lessor and the tenancy agreement can not be verified. If the tenancy agreement turned out to be invalid, Guangzhou Modern Books should restore the property and the clauses in terms of dispute resolution should be binding on both parties.
 - ii. Pursuant to the relevant PRC laws and regulations, Guangzhou Modern Books will not thereby suffer from any administrative penalty for renting the property without any title certificate.
 - iii. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
14. Unit 2413, Fu Si Te Mansion, No.85 Pujiang Road, Nan Gang District, Harbin City, Heilongjiang Province, the PRC	<p>The property comprises one office unit with a total net floor area of approximately 68 sq.m. in a high-rise office building.</p> <p>The property is leased by Zhang Fuying (張福英) to the Group for a term of 1 year from 22 March 2009 for an annual rent of RMB50,000.</p>	The property is occupied by the Group as an office.	No Commercial Value

Notes:

- a. We have not been provided with any title certificate of the property.
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to the tenancy agreement entered into between Zhang Fuying (張福英) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The total annual rent of RMB50,000 is agreed.
 - ii. The lease term is commenced from 22 March 2009 to 21 March 2010.
 - iii. The rent is inclusive of management fee.
 - iv. The Group cannot sublet part or whole property to third party without written consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. As the title certificate is not available, the validity of the lessor and the tenancy agreement can not be verified. If the tenancy agreement turned out to be invalid, Guangzhou Modern Books should restore the property and the clauses in terms of dispute resolution should be binding on both parties.
 - ii. Pursuant to the relevant PRC laws and regulations, Guangzhou Modern Books will not thereby suffer from any administrative penalty for renting the property without any title certificate.
 - iii. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
15. Unit 103 and 401, Block No.2, Jiulong Mountain Garden, Guangqu Road, Chaoyang District, Beijing City, the PRC	<p>The property comprises two residential units with a total gross floor area of approximately 432.55 sq.m. in a 14-storey residential building.</p> <p>The property is leased by Hou Guoliang(侯果良) and Yang Fenghua(楊風華) to the Group via two tenancy agreements for various terms with the latest expiry date on 26 May 2010 for a total monthly rent of RMB16,000.</p>	The property is occupied by the Group as staff dormitory.	No Commercial Value

Notes:

- a. Pursuant to the Building Ownership Certificates Nos. Jing Fang Quan Zheng Chao Si 04 Zi Di 69358 and Jing Fang Quan Zheng Chao Si 05 Zi Di 105407 issued by Beijing Land Resource and Housing Management Bureau of Chaoyang District (北京市朝陽區國土資源和房屋管理局), the property with a total gross floor area of approximately 432.55 sq.m. is held by Hou Guoliang (侯果良) and Yang Fenghua (楊風華). The property is for residential use with the expiry date on 3 December 2068.
- b. We were advised that the owners are independent third party of the Group.
- c. Pursuant to tenancy agreements entered into between Hou Guoliang (侯果良) and Yang Fenghua (楊風華) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司) respectively, Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term of Unit 103 is commenced from 31 May 2009 to 30 May 2012, and the lease term of Unit 401 is commenced from 27 May 2009 to 26 May 2010.
 - ii. The total monthly rent of RMB 16,000 is agreed. The rent of Unit 103 is paid by every quarter, and the rent of Unit 401 is paid by every half year.
 - iii. The rent is exclusive of management fee and other outgoings.
 - iv. The Group cannot sublet part or whole property to third party without the consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. The owners are entitled to lease the property. The tenancy agreements are legal, valid and legally enforceable on both parties.
 - ii. Guangzhou Modern Books has the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. Although the tenancy agreements have not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
16. Unit 3-2-2103, Cheng Ji Trade Center, Northeast of the conjunction of Xi An Road and Chang Sha Road, Heping District, Tianjin City, the PRC	<p>The property comprises a residential unit with a total gross floor area of approximately 60.02 sq.m. occupying a site area of approximately 3.2 sq.m. in a 49-storey residential tower.</p> <p>The property is leased by Zhu Zeming(朱澤明) to the Group for a term of 1 year from 20 May 2009 to 19 May 2010 for a monthly rent of RMB2,200.</p>	The property is occupied by the Group as staff dormitory.	No Commercial Value

Notes:

- a Pursuant to the Realty Title Certificate No. Fang Di Zheng Jin Zi Di 101020802450 Hao co-issued by the municipal government of Tianjin City(天津市人民政府) and Land Resource and Housing Management Bureau of Tianjin City(天津市國土資源和房屋管理局), the property with a total gross floor area of approximately 60.02 sq.m. and occupying a site area of approximately 3.2 is held by Zhu Zeming(朱澤明) for residential use with the expiry date on 4 August 2074.
- b We were advised that the owner is an independent third party of the Group.
- c Pursuant to tenancy agreement entered into between Zhu Zeming(朱澤明) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term is commenced from 20 May 2009 to 19 May 2010.
 - ii. The total monthly rent of RMB 2,200 is agreed.
 - iii. The rent is exclusive of management fee and other outgoings.
 - iv. The Group cannot sublet part or whole property to third party without the written consent from Party A.
- d We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. The owner is entitled to lease the property. The tenancy agreement is legal, valid and legally enforceable on both parties.
 - ii. Guangzhou Modern Books has the right to occupy and use the property.
 - iii. The property has been used for its prescribed use.
 - iv. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
17. Unit 106, No.84 Ying Kou Dao, Heping District, Tianjin City, the PRC	<p>The property comprises a residential unit with a total net floor area of approximately 23.9 sq.m. in a residential building.</p> <p>The property is leased by Liu Xingya(劉興亞) to the Group for a term of 1 year from 20 May 2009 to 19 May 2010 for an annual rent of RMB10,100.</p>	The property is occupied by the Group as staff dormitory.	No Commercial Value

Notes:

- a. Pursuant to the tenancy agreement entered into between Quan Ye Chang Fang Guan Zhan of Heping District Real Estate Company (和平區房產公司勸業場房管站) and Liu Xingya (劉興亞) dated 1 April 2001, the property with a total gross floor area of approximately 23.9 sq.m. was agreed to lease to Liu Xiangya (劉興亞) for residential use with the expiry date on 31 March 2003. We have not been provided with the renewal agreement or any title certificate of the property.
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to tenancy agreement entered into between Liu Xingya (劉興亞) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term is commenced from 20 May 2009 to 19 May 2010.
 - ii. The total half year rent of RMB 5,050 is agreed. And the rent is paid by every half year.
 - iii. The rent is exclusive of management fee and other outgoings.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. As the title certificate is not available, the validity of the lessor and the tenancy agreement can not be verified. If the tenancy agreement turned out to be valid, Guangzhou Modern Books should restore the property and the clauses in terms of dispute resolution should be binding on both parties.
 - ii. Pursuant to the relevant PRC laws and regulations, Guangzhou Modern Books will not thereby suffer from any administrative penalty for renting the property without any title certificate.
 - iii. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
18. Room 1-15-4, Zhengda Plaza, No.16 Tong Ze Street South, Heping District, Shenyang City, Liaoning Province, the PRC	As advised by the Group, the property comprises a unit with net floor area of approximately 100 sq.m. in a residential building. The property is leased by Zhou Hongjun (周紅軍) to the Group for a term of 1 year from 1 November 2008 to 31 October 2009 for a monthly rent of RMB4,000.	The property is occupied by the Group as staff dormitory.	No Commercial Value

Notes:

- a. We have not been provided with any title certificate of the property
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to tenancy agreement entered into between Zhou Hongjun (周紅軍) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The lease term is for 1 year from 1 November 2008 to 31 October 2009.
 - ii. The total monthly rent of RMB 4,000.
 - iii. The rent is inclusive of management fee and heating fee.
 - iv. The Group cannot sublet part or whole property to third party during the lease term.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. As the title certificate is not available, the validity of the lessor and the tenancy agreement cannot be verified. If the tenancy agreement turned out to be invalid, Guangzhou Modern Books should restore the property and the clauses in terms of dispute resolution should be binding on both parties.
 - ii. Pursuant to the relevant PRC laws and regulations, Guangzhou Modern Books will not thereby suffer from any administrative penalty for renting the property without any title certificate.
 - iii. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
19. Unit B37 on Level 2, No.1377 Bao Gang Avenue, Haizhu District, Guangzhou City, Guangdong Province, the PRC	<p>The property comprises a retail unit with a total gross floor area of approximately 68.2 sq.m. in a commercial podium.</p> <p>The property is leased by Guangdong Hai Cheng Cultural Development Co., Ltd. (廣東海城文化發展有限公司) and Guangzhou Yi Jia Market Development Co., Ltd. (廣州億家市場開發有限公司) to the Group for a term of 3 years from 1 July 2009 to 30 June 2012 for a monthly rent of RMB4,774 and management fee of RMB341 with an annual growth rate of 6%.</p>	The property is occupied by the Group as a retail shop.	No Commercial Value

Notes:

- a. We have not been provided with any title certificate of the property.
- b. We were advised that the owner is an independent third party of the Group.
- c. Pursuant to tenancy agreement entered into between Guangdong Hai Cheng Cultural Development Co., Ltd. (廣東海城文化發展有限公司) and Guangzhou Yi Jia Market Development Co., Ltd. (廣州億家市場開發有限公司) (Party A) and Guangzhou Modern Books Co., Ltd. (廣州現代圖書有限公司), Party A agreed to lease the property to the Group and some of the important terms stipulated in the tenancy agreements are, *inter alia*, as following:
 - i. The property is physically transferred to the Group at 30 June 2009.
 - ii. The rent-free period is commenced from 1 July 2009 to 15 July 2009.
 - iii. The lease term is commenced from 1 July 2009 to 30 June 2012.
 - iv. The total monthly rent of RMB 4,774 is agreed, with an annual growth rate of 6%.
 - v. The rent is exclusive of management fee and other outgoings.
 - vi. The Group cannot sublet part or whole property to third party without the consent from Party A.
- d. We have been provided with a legal opinion on the property prepared by the Group's legal advisor which contains, *inter alia*, the following information:
 - i. As the title certificate is not available, the validity of the lessor and the tenancy agreement can not be verified. If the tenancy agreement turned out to be valid, Guangzhou Modern Books should restore the property and the clauses in terms of dispute resolution should be binding on both parties.
 - ii. Pursuant to the relevant PRC laws and regulations, Guangzhou Modern Books will not thereby suffer from any administrative penalty for renting the property without any title certificate.
 - iii. Although the tenancy agreement has not been submitted to the relevant PRC government administrative department for registration, Guangzhou Modern Books will not thereby suffer from any administrative penalty in accordance with the relevant PRC laws and regulations.

APPENDIX III

PROPERTY VALUATION

Group III — Property interests rented by the Group in Hong Kong

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 30 June 2009 (RMB)
20. 9th Floor, Zung Fu Industrial Building, No. 1067 King’s Road, Quarry Bay, Hong Kong	<p>The property comprises an office unit on the 9th floor in a 14-storey industrial building completed in 1971.</p> <p>The saleable floor area of the property is approximately 13,860.42sq.ft. (1,287.67sq.m.).</p> <p>The property is leased for a term of 2 years from 1 July 2008 to 30 June 2010 for a monthly rent of HK\$214,500, exclusive of rates and management fees.</p>	The property is occupied by the Group as an office.	No Commercial Value

Notes:

- a. The registered owner of the property is Alco Electronics Limited.
- b. We were advised that the registered owner is an independent third party of the Group.
- c. The property lies within an area zoned “Commercial” under the Draft Quarry Bay Outline Zoning Plan No. S/H21/26.