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APPENDIX IV

PROPERTY VALUATION

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this document received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 31 August 2009 of the property interests of the Group.



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[●] 2009

The Board of Directors
China High Precision Automation Group Limited
Room 2805, China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties in which China High Precision Automation Group Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in the People’s Republic of China (the “PRC”) and Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 31 August 2009 (the “date of valuation”).

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

In valuing the property interest in Group I which is currently under construction, we have assumed that it will be developed and completed in accordance with the Group’s latest development proposal provided to us. In arriving at our opinion of value, we have taken into account the construction costs and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the costs and fees to be expended to complete the development.

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

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

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

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

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

We have been shown copies of various title documents including State-owned Land Use Rights Certificates and official plans relating to the property interests in the PRC and have made relevant enquiries. Where possible, we have searched the original documents to verify the existing titles to the property interests in the PRC and any material encumbrances that might be attached to the properties or any lease amendments. We have relied considerably on the advice given by the Company’s PRC legal advisers — Dacheng Law Offices, concerning the validity of the property interests located in the PRC.

We have been provided with a copy of lease agreement relating to the property interest and have caused searches to be made at the Hong Kong Land Registry.

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

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services, etc., for any development thereon. Our valuations have been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

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

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

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

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

Note: Paul L. Brown is a Chartered Surveyor who has 26 years' experience in the valuation of properties in the PRC and 29 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

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SUMMARY OF VALUES

Group I — Property Interest Held Under Development by the Group in the PRC

No. Property	Capital Value in existing state as at 31 August 2009 RMB
1. A parcel of land, 3 industrial buildings and various structures under construction located at Long Men Village Kuaian Technology Park Economic Technology Development Zone Mawei District Fuzhou City Fujian Province The PRC	[86,840,000]
Sub-total:	[86,840,000]

Group II — Property Interests Rented and Occupied by the Group in the PRC

No. Property	Capital Value in existing state as at 31 August 2009 RMB
2. A parcel of land, various buildings and structures Lot No.15, Kuaian Yanshenqu Economic Technology Development Zone Mawei District Fuzhou City Fujian Province The PRC	No commercial value
3. An office unit on Level 15 Zhong Mei Mansion No. 107 Gu Tian Road Fuzhou City Fujian Province The PRC	No commercial value
4. Units 1210 and 1211 on Level 1 Block 1 SIPAI Plaza No. 103 Cao Bao Road Shanghai The PRC	No commercial value
Sub-total:	Nil

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Group III — Property Interest Rented and Occupied by the Group in Hong Kong

No. Property	Capital Value in existing state as at 31 August 2009 RMB
5. Room 2805 on the 28th Floor China Resources Building 26 Harbour Road Wanchai Hong Kong	No commercial value
Sub-total:	<hr/> Nil
Total:	<hr/> [86,840,000] <hr/>

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VALUATION CERTIFICATE

Group I — Property Interest Held Under Development by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 August 2009 RMB
1. A parcel of land, 3 industrial buildings and various structures under construction located at Long Men Village Kuaian Technology Park Economic Technology Development Zone Mawei District Fuzhou City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 47,665 sq.m. and 3 industrial buildings and various structures being constructed thereon.</p> <p>As advised by the Group, the total planned gross floor area of the buildings is approximately 38,693 sq.m. and the buildings are scheduled to be completed in late 2009.</p> <p>As advised by the Group, the estimated total construction cost (excluding interior fitting out works) of the buildings is approximately RMB[77,674,000] of which about RMB[71,040,000] was incurred up to the date of valuation.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 30 December 2056 for industrial use.</p>	The property is currently under construction.	[86,840,000]

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 28 September 2005 entered into between the State-owned Land Resources Bureau of Mawei District, Fuzhou City (福州市馬尾區國土資源局) and Fujian Wide Plus Precision Instruments Company Limited (福建上潤精密儀器有限公司), an indirect wholly-owned subsidiary of the Company, the land use rights of a parcel of land with a site area of approximately 53,052 sq.m. (including a site area of 8.08 mu (i.e. approximately 5,387 sq.m.) planned for road, and hence the actual granted site area is 71.5 mu (i.e. approximately 47,665 sq.m.)) were contracted to be granted to Fujian Wide Plus Precision Instruments Company Limited for a term of 50 years for industrial use. The land use rights premium is RMB10,345,400.
- Pursuant to a State-owned Land Use Rights Certificate — Rong Guo Yong (2007) Di No. MD000790 dated 3 November 2007, the land use rights of a parcel of land with a site area of approximately 39,649.5 sq.m. have been granted to Fujian Wide Plus Precision Instruments Company Limited for a term expiring on 30 December 2056 for industrial use.
- Pursuant to a Statement dated 13 May 2008 issued by the State-owned Land Resources Bureau of Mawei District, Fuzhou City, the parcel of land mentioned in note 1 has an actual granted area of approximately 47,665 sq.m. A portion of the land with a site area of approximately 39,649.5 sq.m. has been issued with a Stated-owned Land Use Rights Certificate. As advised by the Company, the application of title certificate of the remaining portion with a site area of approximately 8,015.5 sq.m. is in progress. Due to the issue arised from relocation of the original factory erected thereon, handover of this portion of land is expected in late 2009 after the completion of the relocation.

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4. Pursuant to a Construction Land Planning Permit — Rong Kai Gui Di (2006) No. 43 dated 23 August 2006, the construction project of a site with an area of approximately 53,035.2 sq.m. is in compliance with the city planning requirements.
5. Pursuant to a Construction Work Planning Permit — Rong Kai Gui Jian 2007-062 dated 17 October 2007, construction of buildings with a total gross floor area of approximately 38,693 sq.m. have been approved.
6. Pursuant to a Construction Work Commencement Permit — No. 350105200708010101 dated 30 October 2007, permission has been given to commence the construction of a development with a total gross floor area of approximately 38,693 sq.m.
7. In the course of our valuation, we have not attributed any commercial value to a portion of the land with a site area of approximately 8,015.5 sq.m. which has not obtained any title certificate. However, for reference purpose, we are of the opinion that the capital value of this portion of land as at the date of valuation would be [RMB3,200,000] assuming all relevant title certificates have been obtained and the land could be freely transferred.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a) [The State-owned Land Use Rights Grant Contract of the property is legal, valid and enforceable and the Group has paid all the relevant fees and land grant premium.
 - b) The land use rights of the land parcel with a site area of approximately 39,649.5 sq.m. are legally owned by the Group and the Group is entitled to transfer, lease, mortgage or utilize the land use rights in accordance with the terms stipulated in the State-owned Land Use Rights Certificate and the PRC laws.
 - c) According to the State-owned Land Use Rights Grant Contract, the site area of the whole land parcel is approximately 53,052 sq.m. (i.e. 79.58 mu). After deducting the planned road with a site area of 8.08 mu, the actual granted site area of the property is 71.5 mu (i.e. approximately 47,665 sq.m.). The land parcel with a site area of approximately 39,649.5 sq.m. has obtained the State-owned Land Use Rights Certificate. Hence, the remaining portion with a site area of approximately 8,015.5 sq.m. has not obtained any State-owned Land Use Rights Certificate. However, the Group has no legal impediment in obtaining the State-owned Land Use Rights Certificate of this portion of land.
 - d) The Group has obtained requisite relevant certificates and permits in respect of the development of the property. There is no legal impediment in commencement of the construction works.
 - e) The property is not subject to any mortgage and other encumbrances.]

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VALUATION CERTIFICATE

Group II — Property Interests Rented and Occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 August 2009 <i>RMB</i>
2. A parcel of land, various buildings and structures Lot No.15 Kuaian Yanshenqu Economic Technology Development Zone Mawei District Fuzhou City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 21,313 sq.m., 8 buildings and structures constructed thereon and completed in various stages between 1998 and 2007.</p> <p>The buildings have a total gross floor area of approximately 30,000 sq.m.</p> <p>The buildings mainly include industrial buildings, dormitory buildings and warehouses.</p> <p>The property is rented by Fujian Wide Plus Precision Instruments Company Limited from an independent third party for a term of 15 years commencing from 1 January 2008 and expiring on 31 December 2022, at an annual rent of HK\$1,000,000 for the first 5 years, exclusive of management fees and other outgoing expenses and is subject to an increment of 10% every 5 years starting from the sixth year of the term.</p>	The property is currently occupied by the Group for production purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement entered into between Fujian Wide Plus Precision Instruments Company Limited and Fuzhou Development Zone Goldigit Fine Chemical Industry Company Limited (福州開發區金澤精細化工有限公司), an independent third party, the property is leased to Fujian Wide Plus Precision Instruments Company Limited for a term of 15 years commencing from 1 January 2008 and expiring on 31 December 2022. The annual rent is HK\$1,000,000 for the first 5 years exclusive of management fees and other outgoing expenses and is subject to an increment of 10% every 5 years starting from the sixth year of the term.
2. We have been provided with a legal opinion regarding the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - a) [The Tenancy Agreement is valid, binding and enforceable under the PRC laws.
 - b) The Tenancy Agreement has been registered with the relevant authority.
 - c) The landlord has obtained proper title of the property and has the rights to lease out the property.
 - d) The property is not pledged or subject to mortgage or any other material encumbrances.
 - e) The existing use of the property complies with prescribed use.]

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VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 August 2009 <i>RMB</i>
3. An office unit on Level 15 Zhong Mei Mansion No. 107 Gu Tian Road Fuzhou City Fujian Province The PRC	<p>The property comprises an office unit on Level 15 of a 27-storey office building completed in 1998.</p> <p>The property has a lettable area of approximately 112 sq.m.</p> <p>The property is rented by Fujian Wide Plus Precision Instruments Company Limited from a connected party for a term commencing from 1 July 2009 and expiring on 1 July 2011, at a monthly rent of RMB5,090 inclusive of management fees and other outgoing expenses.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement entered into between Fujian Wide Plus Precision Instruments Company Limited and He Yuzhu dated 1 July 2009, the property is leased to Fujian Wide Plus Precision Instruments Company Limited for a term commencing from 1 July 2009 and expiring on 1 July 2011 at a monthly rent of RMB5,090 inclusive of management fees and other outgoing expenses.
2. We have been provided with a legal opinion regarding the legality of the Tenancy Agreement to the property issued by the Company’s PRC legal advisers, which contains, inter alia, the following:
 - a) [The Tenancy Agreement is valid, binding and enforceable under the PRC laws.
 - b) The Tenancy Agreement has been registered with the relevant authority.
 - c) The landlord has obtained proper title of the property and has the rights to lease out the property.
 - d) The property is not pledged or subject to mortgage or any other material encumbrances.
 - e) The existing use of the property complies with prescribed use.]

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VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 August 2009 RMB
4. Units 1210 and 1211 on Level 1, Block 1 SIPAI Plaza No. 103 Cao Bao Road Shanghai The PRC	<p>The property comprises 2 office units on Level 1 of a 5-storey office building completed in 1959.</p> <p>The property has a total gross floor area of approximately 74 sq.m.</p> <p>The property is rented by Fujian Wide Plus Precision Instruments Company Limited Shanghai Branch from an independent third party for terms commencing from 15 September 2007 and 25 January 2008, and both expiring on 14 March 2010, at monthly rents of RMB3,084.9 and RMB2,274.3 respectively.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement entered into between Fujian Wide Plus Precision Instruments Company Limited Shanghai Branch and Shanghai Institute of Process Automation Instrumentation, an independent third party, dated 2 September 2007, an office unit with a gross floor area of approximately 45.5 sq.m. is leased to Fujian Wide Plus Precision Instruments Company Limited Shanghai Branch for a term commencing from 15 September 2007 and expiring on 14 March 2010 at a monthly rent of RMB3,084.9, exclusive of management fees.
2. Pursuant to a Tenancy Agreement entered into between Fujian Wide Plus Precision Instruments Company Limited Shanghai Branch and Shanghai Institute of Process Automation Instrumentation, an independent third party, dated 20 March 2008, an office unit with a gross floor area of approximately 28.5 sq.m. is leased to Fujian Wide Plus Precision Instruments Company Limited Shanghai Branch for a term commencing from 25 January 2008 and expiring on 14 March 2010 at a monthly rent of RMB2,274.3, exclusive of management fees and other outgoing expenses.
3. We have been provided with a legal opinion regarding the legality of the Tenancy Agreements to the property issued by the Company’s PRC legal advisers, which contains, inter alia, the following:
 - a) [The Tenancy Agreements are valid, binding and enforceable under the PRC laws.
 - b) The Tenancy Agreements have been registered with the relevant authority.
 - c) The landlord has obtained proper title of the property and has the rights to lease out the property.
 - d) The property is not pledged or subject to mortgage or any other material encumbrances.
 - e) The existing use of the property complies with prescribed use.]

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VALUATION CERTIFICATE
Group III — Property Interest Rented and Occupied by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 August 2009 <i>RMB</i>
5. Room 2805 on the 28th Floor China Resources Building 26 Harbour Road Wanchai Hong Kong	<p>The property comprises an office unit on the 28th Floor of a 50-storey commercial building (excluding 3-storey car park basements) completed in 1982.</p> <p>The property has a lettable area of approximately 2,496 sq.ft. (231.88 sq.m.).</p> <p>The property is rented by Wide Plus High Precision Automation Limited from an independent third party for a term of 2 years commencing from 13 November 2007 and expiring on 12 November 2009 with a rent-free period from 13 November 2007 to 12 December 2007, at a monthly rent of HK\$79,872, exclusive of rates and management fees.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Note:

- Pursuant to a Tenancy Agreement entered into between Wide Plus High Precision Automation Limited and China Resources Property Management Ltd., an independent third party, dated 31 January 2008, the property is rented by Wide Plus High Precision Automation Limited for a term of 2 years commencing from 13 November 2007 and expiring on 12 November 2009 at a monthly rent of HK\$79,872, exclusive of rates and management fees.