

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 And Consulting Limited, an independent property valuer, in connection with its valuation as at 31 August 2010 of the property interests of our Group.

Vigers Appraisal And Consulting Limited
International Asset Appraisal Consultants



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

20 October 2010

The Directors
Yashili International Holdings Ltd
Yashili Industrial City
Chaoan Avenue
Chaozhou City
Guangdong Province 515638
The PRC

Dear Sirs,

In accordance with your instructions for us to value the property interests held by Yashili International Holdings Ltd (the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) in the People’s Republic of China (“the PRC”) and the United State of America (“the USA”), we confirm that we have carried out an inspection, 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 the 31 August 2010 (“date of valuation”) for the purpose of incorporation in the Prospectus.

Our valuation is our opinion of the market value of the property interest which we would define market value 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 interests Nos. 1, 2, 5, 7, 8 and 9 in Group I, which are held and occupied by the Group in the PRC and property interests No. 11 in Group III, which are to be acquired and occupied by the Group in the PRC, we have adopted a combination of the market and depreciated replacement cost approach in assessing the land portion of the property and the buildings and structures standing on the land respectively. Hence, 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

price and the sales evidence as available to us in the locality. As the nature of the buildings and structures cannot be valued on the basis of market value, they have therefore been valued on the basis of their depreciated replacement costs. The depreciated replacement cost approach considers the current cost of replacement (reproduction) of the buildings and improvements less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost approach generally furnishes the most reliable indication of value for property in the absence of a known market based on comparable sales. The approach is subject to adequate potential profitability of the business.

In valuing the property interests Nos. 3, 4 and 6 in Group I, which is held and occupied by the Group in the PRC and property interests No. 10 in Group II, which is held by the Group in the PRC for investment and No. 15 in Group V, which is held by the Group in the USA for investment, direct comparison approach is adopted with reference to comparable transactions in the open market and on the basis of vacant possession.

For property interests Nos. 12, 13 and 14 in Group IV which are leased by the Group in the PRC, we have assigned no commercial value to them mainly due to the prohibition against assignment or sub-letting, the lack of substantial profit rents or the short term nature of such interests.

Our valuation has been made on the assumption that the owner sells the property interests on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement 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.

We have not caused title searches to be made for the property interest at the relevant government bureau in the PRC and the USA. We have been provided with certain extracts of title documents relating to the property interests in the PRC. However, we have not inspected 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 for the property interest, we have relied on the legal opinion (“the PRC legal opinion”) provided by the Group’s PRC legal adviser, Tian Yuan Law Firm.

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us by the Company on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the properties and other relevant matter. 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, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the properties are free from defect. No tests were carried out on any of the services.

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 outgoing of an onerous nature which could affect their values.

In valuing the property interests No. 15 in Group V, we have taken reference to the valuation report on the property prepared by Mr. Ronald P. Little and Mr. Tommie Crowell of National Realty Consultants. Mr. Ronald P. Little holds the qualifications of MAI designation of the Appraisal Institute and Texas State Certified General Real Estate Appraiser. Mr. Tommie Crowell holds the qualifications of MAI and SRA designations of the Appraisal Institute and Texas State Certified General Real Estate Appraiser.

Our valuation is prepared in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors (HKIS) and 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.

Unless otherwise stated, all money amounts stated are in Hong Kong Dollars (HK\$). The exchange rates adopted in valuing the property interests in the PRC and USA as at 31 August 2010 were as follows:

<u>Country/Region</u>	<u>Currency</u>	<u>Exchange Rates as at 31 August 2010</u>
The PRC	Renminbi (RMB)	HK\$1:RMB0.87
USA	American Dollar (USD)	HK\$1:USD0.13

There has been no significant fluctuation in the exchange rate for these currencies against Hong Kong Dollars between that date and the date of this letter.

We enclose herewith a summary of valuation and the valuation certificates.

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

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over twenty-two years’ experiences in undertaking valuations of properties in Hong Kong and has over fifteen years’ experiences in valuations of properties in the PRC. Moreover, Mr. Raymond K.K. Ho also has extensive experience in valuing leased properties in the USA, Canada, Japan, India, Singapore, Australia and the UK.

SUMMARY OF VALUATION

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

<u>Property</u>	<u>Market Value in existing state as at 31 August 2010</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 August 2010</u>
1. Various buildings located within Yashili Industrial Park, East of Chaoan Road (in Front of Train Station), Chaoan County, Chaozhou City, Guangdong Province, the PRC	RMB55,300,000 (equivalent to approximately HK\$63,560,000)	100%	RMB55,300,000 (equivalent to approximately HK\$63,560,000)
2. An industrial complex located at south west corner of Chaoan Road and Zhanqian Road Junction, Chaoan County, Chaozhou City, Guangdong Province, the PRC	RMB117,800,000 (equivalent to approximately HK\$135,400,000)	100%	RMB117,800,000 (equivalent to approximately HK\$135,400,000)
3. Units 202 and 502 of Block 10, Units 601 and 701 of Block 11, Units 302 and 402 of Block 12, Units 401 and 501 of Block 13, Units 402 of Block 14, Unit 501 of Block 15, Unit 402 of Block 16, Units 303 and 403 of Block 18, Unit 204 of Block 19 and Units 204, 302, 304 and 404 of Block 20 and Car Park Space Nos. 19, 21, 41, 45, 126 and 127 located at Hua Yu Hao Ting, adjacent to Chengqu Road, Chaoan County, Chaozhou City, Guangdong Province, the PRC	RMB9,100,000 (equivalent to approximately HK\$10,460,000)	100%	RMB9,100,000 (equivalent to approximately HK\$10,460,000)
4. Unit 1201 of Block 12 located at Hua Yu Hao Ting, adjacent to Chengqu Road, Chaoan County, Chaozhou City, Guangdong Province, the PRC	RMB720,000 (equivalent to approximately HK\$828,000)	100%	RMB720,000 (equivalent to approximately HK\$828,000)

<u>Property</u>	<u>Market Value in existing state as at 31 August 2010</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 August 2010</u>
5. An industrial complex located at No. 8 Hongyuan Road, East Zone of Guangzhou Development District, Huangpu District, Guangzhou City, Guangdong Province, the PRC	RMB121,200,000 (equivalent to approximately HK\$139,310,000)	95%	RMB115,140,000 (equivalent to approximately HK\$132,340,000)
6. Units 1401–1403, 1501–1503, 1601, 1603, 1701–1702 and 1801–1802 and Car Park Space Nos. 101–104, 202–204, 222–226 and 232–234 Chuangju Commercial Building, No. 185 Yuexiu Road South, Yuexiu District, Guangzhou City, Guangdong Province, the PRC	RMB70,330,000 (equivalent to approximately HK\$80,840,000)	95%	RMB66,810,000 (equivalent to approximately HK\$76,790,000)
7. An industrial complex located at Qibai Road West, Tangchi Town, Tailai County, Qiqihaer City, Heilongjiang Province, the PRC	RMB34,000,000 (equivalent to approximately HK\$39,080,000)	100%	RMB34,000,000 (equivalent to approximately HK\$39,080,000)
8. An industrial complex located at the north west of Longquan Village, south of Forth Ring East Road, Ying County, Shuozhou City, Shanxi Province, the PRC	RMB110,990,000 (equivalent to approximately HK\$127,570,000)	100%	RMB110,990,000 (equivalent to approximately HK\$127,570,000)
9. A factory development located at the west of Fifteen Road and south of Hanghai East Road, Guancheng Hui District, Zhengzhou City, Henan Province, the PRC	RMB23,250,000 (equivalent to approximately HK\$26,720,000)	100%	RMB23,250,000 (equivalent to approximately HK\$26,720,000)
Sub-Total	RMB542,690,000 (equivalent to approximately <u>HK\$623,768,000</u>)		RMB533,110,000 (equivalent to approximately <u>HK\$612,748,000</u>)

Group II — Property interests held by the Group in the PRC for investment

<u>Property</u>	<u>Market Value in existing state as at 31 August 2010</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 August 2010</u>
10. Units 801–803, 901–903, 1001–1003, 1101–1103, 1201–1203, 1301–1303 and 1602 Chuangju Commercial Building, No. 185 Yuexiu Road South, Yuexiu District, Guangzhou City, Guangdong Province, the PRC	RMB95,560,000 (equivalent to approximately HK\$109,840,000)	95%	RMB90,782,000 (equivalent to approximately HK\$104,347,000)
Sub-Total	RMB95,560,000 (equivalent to approximately HK\$109,840,000)		RMB90,782,000 (equivalent to approximately HK\$104,347,000)

Group III — Property interests to be acquired and occupied by the Group in the PRC

<u>Property</u>	<u>Market Value in existing state as at 31 August 2010</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 August 2010</u>
11. A factory development located at the south of Hanghai East Road and east of Jing Kai Fourteen Road, Guancheng Hui District, Zhengzhou City, Henan Province, the PRC	No commercial value	100%	Nil
Sub-Total	Nil		Nil

Group IV — Property interests leased by the Group in the PRC

<u>Property</u>	<u>Market Value in existing state as at 31 August 2010</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 August 2010</u>
12. An industrial complex located at Longkeng Industrial Area (adjacent to Jiaoshan Road), Chaoan Road West, Chaoan County, Chaozhou City, Guangdong Province, the PRC	No commercial value	100%	Nil
13. Units 901 and 902, No. 1033 Yanan West Road, Changning District, Shanghai, the PRC	No commercial value	100%	Nil
14. Unit 14, Level 7, Block 18–1, No. 16, San Guan Tang Road, Jinjiang District, Chengdu City, Sichuan Province, the PRC	No commercial value	100%	Nil
Sub-Total	Nil		Nil

Group V — Property interests held by the Group in the United State of America for investment

<u>Property</u>	<u>Market Value in existing state as at 31 August 2010</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 August 2010</u>
15. Lot 12, Block 1, Orchard Lake Estate, Section 1, Fort Bend County, Texas, the United States of America	USD293,704 (equivalent to approximately HK\$2,259,000)	100%	USD293,704 (equivalent to approximately HK\$2,259,000)
Sub-Total	USD293,704		USD293,704
Total	HK\$735,867,000		HK\$719,354,000

VALUATION CERTIFICATE

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

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
1. Various buildings located within Yashili Industrial Park, East of Chaoan Road (in Front of Train Station), Chaoan County, Chaozhou City, Guangdong Province, the PRC	<p>The property comprises 2 parcels of land together with 12 buildings completed between 1998 and 2002 erected thereon.</p> <p>The property has a total site area of approximately 30,050 sq.m. and has a total gross floor area of approximately 57,356.32 sq.m. In which, 9 buildings having a total gross floor area of approximately 53,525.32 sq.m. have obtained the Building Ownership Certificates and the remaining 3 buildings and Level 5 of Office B with a total gross floor area of approximately 3,831 sq.m. have not obtained the Building Ownership Certificates. Particulars of the land portion and the building portion of the property are summarized in Notes 1, 2 and 3.</p> <p>The property has been granted a land use rights for a term with an expiry date on 4 March 2047 for industrial uses.</p>	The property is occupied by the Group for factory and ancillary uses.	<p>RMB55,300,000</p> <p>(equivalent to approximately HK\$63,560,000)</p> <p>(See Note 4 below)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB55,300,000</p> <p>(equivalent to approximately HK\$63,560,000)</p>

Notes:

1. According to 2 Land Use Rights Certificates (Document Nos.: An Guo Yong 2008 Di Te No. 1875 and 1876), the land use rights of the property having a total site area of approximately 30,050 sq.m. have been granted to Guangdong Yashili Group Co., Ltd. ("Guangdong Yashili") for a term expiring on 4 March 2047 for industrial use, the particulars of these 2 parcels of land are summarized as follow:

<u>Land Use Rights Certificate (Document No.)</u>	<u>Site Area (sq.m.)</u>	<u>Usage</u>
An Guo Yong 2008 Di Te No. 1875	14,325.33	Industrial
An Guo Yong 2008 Di Te No. 1876	15,724.67	Industrial
Total	<u>30,050</u>	

2. According to 10 Building Ownership Certificates (Document Nos.: Yue Fang De Zheng Zi Di No. C5295244, C5295259, C5295260, C5295261, C5295257, C5295256, C5295255, C5295245, C5295251 and C5295252), the ownerships of the building portion with a total gross floor area of approximately 53,525.32 sq.m. have been vested in Guangdong Yashili.

3. The building portion of the property comprises 12 buildings having a total gross floor area of approximately 57,356.32 sq.m. In which, 9 buildings having a total gross floor area of approximately 53,525.32 sq.m. have obtained the Building Ownership Certificates and the remaining 3 buildings and Level 5 of Office B with a total gross floor area of approximately 3,831 sq.m. have not obtained the Building Ownership Certificates. The particulars of the building portion have been summarized as follow:

<u>Building</u>	<u>Gross Floor</u>		<u>Year of completion</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
	<u>Area (sq.m.)</u>	<u>No. of storey</u>		
Office A	4,879.01	6	1998	Yue Fang De Zheng Zi Di No. C5295244
Office B	7,476	4	1998	Yue Fang De Zheng Zi Di No. C5295259
Factory C1	4,788	4	1998	Yue Fang De Zheng Zi Di No. C5295260
Factory C2	4,788	4	1998	Yue Fang De Zheng Zi Di No. C5295261
Dormitory	10,314.78	6	1998	Yue Fang De Zheng Zi Di No. C5295257
Guard House	118.01	1	1998	Yue Fang De Zheng Zi Di No. C5295256
Factory N1	3,326.4	4	2000	Yue Fang De Zheng Zi Di No. C5295255
Factory C3	4,894.92	4	1998	Yue Fang De Zheng Zi Di No. C5295245
Factory N2	8,626.8	6	2000	Yue Fang De Zheng Zi Di No. C5295251
	4,313.4			Yue Fang De Zheng Zi Di No. C5295252
Mini Market & Workshop (烤房)	760	1	2002	Not Applicable
Boiler Room	252	1	2000	Not Applicable
Workshop 工程科 (原麥車間邊上)	950	1	1998	Not Applicable
Level 5 of Office B	<u>1,869</u>	1	2002	Not Applicable
Total	<u><u>57,356.32</u></u>			

4. For the 3 buildings and Level 5 of Office B without building ownership certificates as mentioned in Note 3 above and have a total gross floor area of about 3,831 sq.m., we have ascribed no commercial value. For reference purpose, assuming the 3 buildings and Level 5 of Office B are freely transferable in the open market and the building ownership certificates had been issued, the depreciated replacement cost of the 3 buildings and Level 5 of Office B as at the date of valuation was RMB3,300,000 (equivalent to approximately HK\$3,790,000).
5. Guangdong Yashili is an indirect wholly-owned subsidiary of the Company.
6. The PRC legal opinion states, *inter alia*, the following:
- (i) The ownership of the property except the buildings without building ownership certificates is legally vested in Guangdong Yashili.
 - (ii) Guangdong Yashili is legally entitled to occupy, use, mortgage, lease and dispose of the property except the buildings without building ownership certificates.
 - (iii) The property is subject to a mortgage. During the mortgage period, Guangdong Yashili could not transfer the property without the consent of the mortgagee.
 - (iv) The legal opinion does not foresee legal impediment for the buildings without building ownership certificates as mentioned in Note 3 above to obtain building ownership certificates.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
2. An industrial complex located at south west corner of Chaoan Road and Zhanqian Road Junction, Chaoan County, Chaozhou City, Guangdong Province, the PRC	<p>The property comprises a parcel of land together with 10 buildings and other structures completed between 2007 and 2010 erected thereon.</p> <p>The property has a total site area of approximately 124,670 sq.m. and has a total gross floor area of approximately 96,926.77 sq.m. In which, 5 buildings having a total gross floor area of approximately 79,020.77 sq.m. have obtained the Building Ownership Certificates and the remaining 5 buildings with a total gross floor area of approximately 17,906 sq.m. have not obtained the Building Ownership Certificates. Particulars of the building portion of the property are summarized in Notes 2 and 3.</p> <p>The property has been granted a land use rights for a term with an expiry date on 17 July 2055 for factory and ancillary facilities uses.</p>	<p>The property is occupied by the Group for factory and ancillary uses.</p> <p>A portion of paper box workshop with a gross floor area of about 7,760 sq.m. is leased to Chaoan Bisheng Decoration and Printing Co., Ltd. (潮安縣必勝裝潢印務有限公司) for a term from 1 May 2008 and expiring on 30 April 2018 at a monthly rent of RMB93,120. The can production workshop with a gross floor area of about 6,025 sq.m. is leased to Chaoan Bisheng Decoration and Printing Co., Ltd. (潮安縣必勝裝潢印務有限公司) for a term from 1 November 2009 and expiring on 31 October 2019 at a monthly rent of RMB72,300.</p>	<p>RMB117,800,000</p> <p>(equivalent to approximately HK\$135,400,000)</p> <p>(See Note 4 below)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB117,800,000</p> <p>(equivalent to approximately HK\$135,400,000)</p>

Notes:

1. According to a Land Use Rights Certificates (Document No.: An Guo Yong 2008 Di Te No. 1891), the land use rights of the property having a site area of approximately 124,670 sq.m. have been granted to Guangdong Yashili Group Co., Ltd.. (“Guangdong Yashili”) for a term with an expiry date on 17 July 2055 for factory and ancillary facilities uses.
2. According to 7 Building Ownership Certificates (Document Nos.: Yue Fang De Zheng Zi Di No.(C5295249, C5295250, C5295248, C5295247, C5295246, C5296796 and C5296797), the ownerships of the building portion with a total gross floor area of approximately 79,020.77 sq.m. have been vested in Guangdong Yashili.

3. The building portion of the property comprises 10 buildings having a total gross floor area of approximately 96,926.77 sq.m. In which, 5 buildings having a total gross floor area of approximately 79,020.77 sq.m. have obtained the Building Ownership Certificates and the remaining 5 buildings with a total gross floor area of approximately 17,906 sq.m. have not obtained the Building Ownership Certificates. The particulars of the building portion have been summarized as follow:

<u>Building</u>	<u>Gross Floor Area (sq.m.)</u>	<u>No. of storey</u>	<u>Year of completion</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
Dormitory	12,809.6	5	2007	Yue Fang De Zheng Zi Di No. C5295246
Milk Powder Workshop	11,069.96	2	2007	Yue Fang De Zheng Zi Di No. C5295247
	9,833.13			Yue Fang De Zheng Zi Di No. C5295248
	10,327.02			Yue Fang De Zheng Zi Di No. C5295249
Paper Box Workshop	15,527.36	4	2007	Yue Fang De Zheng Zi Di No. C5295250
Can Production Workshop	6,025.7	2	2008	Yue Fang De Zheng Zi Di No. C5296796
Workshop (米粉車間)	13,428	4	2008	Yue Fang De Zheng Zi Di No. C5296797
Mini Market	50	1	2008	Not Applicable
Mechanical Room	360	1	2007	Not Applicable
Milk Powder Warehouse	15,000	1	2007	Not Applicable
Boiler Room	2,436	1	2010	Not Applicable
Driver Rest Room	60	1	2007	Not Applicable
Total	96,926.77			

4. For the 5 buildings without building ownership certificates as mentioned in Note 3 above and have a total gross floor area of about 17,906 sq.m. and structures, we have ascribed no commercial value. For reference purpose, assuming the 5 buildings and structures are freely transferable in the open market and the building ownership certificates had been issued and structures are freely transferable in the open market, the depreciated replacement cost of the 5 buildings and structures as at the date of valuation was RMB15,000,000 (equivalent to approximately HK\$17,240,000) and RMB5,000,000 (equivalent to approximately HK\$5,750,000) respectively.
5. Pursuant to a Mortgage Contract (Document No. 2008 Nian Di Zi Di No. 0802003) the land portion of the property is subject to a mortgage in favour of Industrial and Commercial Bank of China (Chaoan Branch) to guarantee a maximum loan of RMB71,000,000 for a period between 20 May 2008 and 19 May 2013.
6. Pursuant to a Mortgage Contract (Document No. 2008 Nian Di Zi Di No. 021208) the land portion of the property and the buildings - dormitory, milk powder workshop and paper box workshop are subject to a mortgage in favour of Industrial and Commercial Bank of China (Chaoan Branch) to guarantee a maximum loan of RMB198,000,000 for a period between 15 December 2008 and 14 December 2013.
7. Guangdong Yashili is an indirect wholly-owned subsidiary of the Company.
8. Chaoan Bisheng Decoration and Printing Co., Ltd. (潮安縣必勝裝潢印務有限公司) is an indirect wholly-owned subsidiary of the Company.
9. The PRC legal opinion states, *inter alia*, the following:
- The ownership of the property except the buildings without building ownership certificates is legally vested in Guangdong Yashili.
 - Guangdong Yashili is legally entitled to occupy, use, lease, mortgage and dispose of the property.
 - The property is subject to a mortgage. During the mortgage period, Guangdong Yashili could not transfer the property without the consent of the mortgagee.
 - The leases have not been registered with the appropriate government authorities. However, the leases are legally binding on both parties. The lessee has the rights to use the property during the lease period. The paper box workshop is subject to mortgage after the lease agreement has been signed, the lease is not affected by the mortgage. The can production workshop is subject to mortgage prior to the lease agreement has been signed, therefore the lease is subject to the rights of the mortgagee.
 - The legal opinion does not foresee legal impediment for the buildings without building ownership certificates as mentioned in Note 3 above to obtain building ownership certificates.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
3. Units 202 and 502 of Block 10, Units 601 and 701 of Block 11, Units 302 and 402 of Block 12, Units 401 and 501 of Block 13, Units 402 of Block 14, Unit 501 of Block 15, Unit 402 of Block 16, Units 303 and 403 of Block 18, Unit 204 of Block 19 and Units 204, 302, 304 and 404 of Block 20 and Car Park Space Nos. 19, 21, 41, 45, 126 and 127 located at Hua Yu Hao Ting, adjacent to Chengqu Road, Chaoan County, Chaozhou City, Guangdong Province, the PRC	The property comprises 18 residential units and 6 car park spaces located at various residential buildings within Hua Yu Hao Ting completed in 2005. The residential portion has a gross floor area of approximately 2,997.52 sq.m. and the car park spaces portion has a gross floor area of approximately 94.67 sq.m. The property has been granted a land use rights for a term of 70 years with an expiry date on 29 November 2069 for commercial/residential uses.	The property is occupied by the Group as staff quarter.	RMB9,100,000 (equivalent to approximately HK\$10,460,000) Interest attributable to the Group 100% Market Value in existing state attributable to the Group as at 31 August 2010 RMB9,100,000 (equivalent to approximately HK\$10,460,000)

Notes:

- According to 24 Sale and Purchase Agreement entered into between Shantou City Hua Fu Real Estate Development Co. Ltd. (汕頭市華福房地產開發有限公司) (the Seller) and Guangdong Yashili Group Co., Ltd. ("Guangdong Yashili") (the Purchaser) dated between 8 May 2006 and 4 April 2007, the property having a total gross floor area of approximately 2,997.52 sq.m. and 6 car park spaces was agreed to be purchased by the Purchaser at a total consideration of RMB4,541,326.
- According to the aforesaid Sale and Purchase Agreements, the property has been granted a land use rights for a term of 70 years with an expiry date on 29 November 2069 for commercial/residential uses.
- Pursuant to 24 Real Estate Ownership (Document Nos.: Yue Fang De Zheng Zi Di C5295281, C5295280, C5295279, C5295278, C5295277, C5295276, C5295275, C5295274, C5295273, C5295272, C5295299, C5295283, C5295282, C5295270, C5295284, C5295285, C5295286, C5295287, C5295288, C5295289, C5295290, C5295291, C5295292 and C5295293, the ownerships of the property with a total gross floor area of approximately 3,092.19 sq.m. have been vested in Guangdong Yashili Group Co., Ltd. (廣東雅士利集團股份有限公司).
- The property comprises 18 residential units and 6 car park spaces having a total gross floor area of approximately 3,092.19 sq.m. The breakdown of gross floor area of each unit is as follows:

<u>No.</u>	<u>Unit No.</u>	<u>Gross Floor Area</u>		<u>Usage</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
		<u>(sq.m.)</u>			
1.	Unit 202 of Block 10	160.21	Residential	Yue Fang De Zheng Zi Di C5295281	
2.	Unit 502 of Block 10	160.21	Residential	Yue Fang De Zheng Zi Di C5295280	
3.	Unit 601 of Block 11	189.09	Residential	Yue Fang De Zheng Zi Di C5295279	
4.	Unit 701 of Block 11	189.09	Residential	Yue Fang De Zheng Zi Di C5295278	
5.	Unit 302 of Block 12	194.87	Residential	Yue Fang De Zheng Zi Di C5295277	
6.	Unit 402 of Block 12	194.87	Residential	Yue Fang De Zheng Zi Di C5295276	
7.	Unit 401 of Block 13	167.19	Residential	Yue Fang De Zheng Zi Di C5295275	

<u>No.</u>	<u>Unit No.</u>	<u>Gross Floor Area (sq.m.)</u>	<u>Usage</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
8.	Unit 501 of Block 13	167.19	Residential	Yue Fang De Zheng Zi Di C5295274
9.	Unit 402 of Block 14	155.79	Residential	Yue Fang De Zheng Zi Di C5295273
10.	Unit 501 of Block 15	146.86	Residential	Yue Fang De Zheng Zi Di C5295272
11.	Unit 402 of Block 16	155.02	Residential	Yue Fang De Zheng Zi Di C5295299
12.	Unit 303 of Block 18	154.55	Residential	Yue Fang De Zheng Zi Di C5295283
13.	Unit 403 of Block 18	154.55	Residential	Yue Fang De Zheng Zi Di C5295282
14.	Unit 204 of Block 19	164.56	Residential	Yue Fang De Zheng Zi Di C5295270
15.	Unit 204 of Block 20	155.43	Residential	Yue Fang De Zheng Zi Di C5295284
16.	Unit 302 of Block 20	177.18	Residential	Yue Fang De Zheng Zi Di C5295285
17.	Unit 304 of Block 20	155.43	Residential	Yue Fang De Zheng Zi Di C5295286
18.	Unit 404 of Block 20	155.43	Residential	Yue Fang De Zheng Zi Di C5295287
	Sub-total	2,997.52		
19.	Car Park Space No. 19	15.4	Car Park Space	Yue Fang De Zheng Zi Di C5295288
20.	Car Park Space No. 21	15.13	Car Park Space	Yue Fang De Zheng Zi Di C5295289
21.	Car Park Space No. 41	13.75	Car Park Space	Yue Fang De Zheng Zi Di C5295290
22.	Car Park Space No. 45	15.95	Car Park Space	Yue Fang De Zheng Zi Di C5295291
23.	Car Park Space No. 126	16.8	Car Park Space	Yue Fang De Zheng Zi Di C5295292
24.	Car Park Space No. 127	17.64	Car Park Space	Yue Fang De Zheng Zi Di C5295293
	Sub-total	94.67		
	Grand total	3,092.19		

5. According to the Company, 廣東雅士利集團股份有限公司 was formerly known as 廣東雅士利集團有限公司.
6. Guangdong Yashili is an indirect wholly-owned subsidiary of the Company.
7. The PRC legal opinion states, *inter alia*, the following:
 - (i) The ownership of the property is legally vested in Guangdong Yashili.
 - (ii) Guangdong Yashili is legally entitled to occupy, use, lease, mortgage and dispose of the property.
 - (iii) The property is not subject to mortgage.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
4. Unit 1201 of Block 12 located at Hua Yu Hao Ting, adjacent to Chengqu Road, Chaoan County, Chaozhou City, Guangdong Province, the PRC	<p>The property comprises a residential unit located at a 13-storey residential building within Hua Yu Hao Ting completed in 2005.</p> <p>The property has a gross floor area of approximately 224.9 sq.m.</p> <p>The property has been granted a land use rights for a term of 70 years with an expiry date on 29 November 2069 for commercial/residential uses.</p>	The property is occupied by the Group as staff quarter.	<p>RMB720,000</p> <p>(equivalent to approximately HK\$828,000)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB720,000</p> <p>(equivalent to approximately HK\$828,000)</p>

Notes:

1. Pursuant to a Real Estate Ownership (Document No.: Yue Fang De Zheng Zi Di C5295005), the ownership of the property with a gross floor area of approximately 224.85 sq.m. have been vested in Chaoan County Li Cheng Trading Co. Ltd. (“Li Cheng”) (潮安縣利成貿易有限公司).
2. According to a Sale and Purchase Agreement entered into between Shantou City Hua Fu Real Estate Development Co. Ltd. (汕頭市華福房地產開發有限公司) (the Seller) and Li Cheng (the Purchaser) dated 19 December 2007, the property having a gross floor area of 224.85 sq.m. was agreed to be purchased by the Purchaser at a total consideration of RMB621,665.
3. According to the aforesaid Sale and Purchase Agreements, the property has been granted a land use rights for a term of 70 years with an expiry date on 29 November 2069 for commercial/residential uses.
4. Li Cheng (潮安縣利成貿易有限公司) is an indirect wholly-owned subsidiary of the Company.
5. The PRC legal opinion states, *inter alia*, the following:
 - (i) The ownership of the property is legally vested in Li Cheng.
 - (ii) Li Cheng is legally entitled to occupy, use, lease, mortgage and dispose of the property.
 - (iii) The property is not subject to mortgage.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
5. An industrial complex located at No. 8 Hongyuan Road, East Zone of Guangzhou Development District, Huangpu District, Guangzhou City, Guangdong Province, the PRC	<p>The property comprises a parcel of land together with a 3-storey factory and a single-storey guard house completed in 2009 erected thereon.</p> <p>The property has a site area of approximately 52,500 sq.m. and has a total gross floor area of approximately 36,535.69 sq.m.</p> <p>The property has been granted a land use rights for a term of 50 years with an expiry date on 12 August 2058 for industrial, mining and warehouse uses.</p>	The property is occupied by the Group mainly for factory uses.	<p>RMB121,200,000</p> <p>(equivalent to approximately HK\$139,310,000)</p> <p>(See Note 4 below)</p> <p>Interest attributable to the Group 95%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB115,140,000</p> <p>(equivalent to approximately HK\$132,340,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Certificate (document no.: 09 Gua Yong (05) Di No. 000006) issued on 17 February 2009, the property having a land area of approximately 52,500 sq.m., the land use rights of the property has been granted to Scient (Guangzhou) Baby Nourishment Co., Ltd. (施恩(廣州)嬰幼兒營養品有限公司) (“Scient Guangzhou”) for industrial, mining and warehouse uses. The usage of the land should be complied with the State-owned Land Use Rights Grant Contract (document no.: Sui Guo De Chu He 440116-2008-000056).
- Pursuant to a Contract for Grant of State-owned Land Use Rights (document no.: Sui Guo De Chu He 440116-2008-000056) (referred hereinafter as the “Contract”) entered into between Guangzhou City Planning and State-owned Land Resources and Housing Management Bureau (referred hereinafter as the “Grantor”) and Scient Guangzhou on 13 August 2008, the Grantor agree to grant the land use rights of the land with a site area of approximately 52,500 sq. m. to Scient Guangzhou for a term of 50 years commencing from 13 August 2008 and expiring on 12 August 2058 for industrial use (M2) at a land use grant fee of RMB31,500,000. The Contract contains, *inter-alia*, the following salient conditions:
 - Total Site Area : 59,903 sq.m.
 - Permitted Land Use : Industrial Use (M2)
 - Plot Ratio : 0.6–2
 - Site Coverage : 35%–55%
 - No. of Storey : Less than or equal to 4 storeys
 - Building Height : Less than or equal to 25 metres
 - Green Area Ratio : 25%–35%
- Pursuant to the Building Ownership Certificate (document no.: Yue Fang De Quan Zheng Sui Zi Di No. 510004074), 2 buildings with a total gross floor area of 36,535.69 sq.m. is vested in Scient Guangzhou for industrial uses.

4. For reference purpose, assuming the structures are entitled to be transferred in the open market, the depreciated replacement cost of the structures was RMB9,280,000 (equivalent to approximately HK\$10,670,000) as at the date of valuation.
5. Scient Guangzhou is an indirect 95% owned subsidiary of the Company.
6. The PRC legal opinion states, *inter alia*, the following:
 - (i) The ownership of the property is legally vested in Scient Guangzhou.
 - (ii) Scient Guangzhou is legally entitled to occupy, use, lease, mortgage and dispose of the property.
 - (iii) The property is not subject to mortgage.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
6. Units 1401–1403, 1501–1503, 1601, 1603, 1701–1702 and 1801–1802 and Car Park Space Nos. 101–104, 202–204, 222–226 and 232–234 Chuangju Commercial Building, No. 185 Yuexiu Road South, Yuexiu District, Guangzhou City, Guangdong Province, the PRC	The property comprises 12 office units and 15 car park spaces located at various levels of a 29-storey building completed in 2007. The office portion has a gross floor area of approximately 3,980.5 sq.m. and the car park space portion has a gross floor area of approximately 177.3 sq.m. The property has been granted a land use rights for a term of 50 years commencing from 15 October 2004 for commercial service uses.	Except Level 14 which is vacant, the remaining portion of the property is mainly owner-occupied for office uses.	RMB70,330,000 (equivalent to approximately HK\$80,840,000) Interest attributable to the Group 95% Market Value in existing state attributable to the Group as at 31 August 2010 RMB66,810,000 (equivalent to approximately HK\$76,790,000)

Notes:

- According to 27 Sale and Purchase Agreements entered into between Guangzhou City Gao Cheng Real Estate Development Co. Ltd. (廣州市高城房地產開發有限公司) (the Seller) and Scient (Guangzhou) Baby Nourishment Co., Ltd. (“Scient Guangzhou”) 施恩(廣州)嬰幼兒營養品有限公司 (the Purchaser) dated between 19 March 2007 and 27 February 2009, the 12 office units having a gross floor area of 3,996.87 sq.m. and 15 car parking spaces was agreed to be purchased by the Purchaser at a consideration of RMB43,980,240 and RMB4,130,000 respectively.
- Pursuant to 27 Real Estate Ownership Certificates (Document Nos.: Yue Fang De Zheng Zi Di C6905327, C6858799, C6858800, C6858601, C6858602, C6858603, C6858604, C6858606, C6858607, C6858608, C6858609, C6858610 and C6858956, Yue Fang De Zheng Sui Zi Di 0120013187 and 0120013181, Yue Fang De Zheng Zi Di C6852800, Yue Fang De Zheng Sui Zi Di 0120024261 and 0120024260, Yue Fang De Zheng Zi Di C6858957, C6858960, C6858961, C6858963, C6858964, C6858965, C6858969, C6858970 and C6852801), the land use rights of the property for a term of 50 years commencing from 15 October 2004 for commercial service uses.
- As stipulated, the ownership of 12 office units with a gross floor area of approximately 3,980.5 sq.m. and 15 car park spaces with a gross floor area of approximately 177.2781 sq.m. have been vested in Scient Guangzhou. The breakdown of gross floor area of each unit is as follows:

<u>No.</u>	<u>Unit No.</u>	<u>Gross Floor Area</u>		<u>Real Estate Ownership Certificate (Document No.)</u>
		<u>(sq.m.)</u>	<u>Usage</u>	
1.	Unit 1401	323.1299	Non-residential	Yue Fang De Zheng Zi Di C6905327
2.	Unit 1402	224.8209	Non-residential	Yue Fang De Zheng Zi Di C6858799
3.	Unit 1403	334.5076	Non-residential	Yue Fang De Zheng Zi Di C6858800
4.	Unit 1501	323.1299	Non-residential	Yue Fang De Zheng Zi Di C6858601
5.	Unit 1502	224.8209	Non-residential	Yue Fang De Zheng Zi Di C6858602
6.	Unit 1503	334.5076	Non-residential	Yue Fang De Zheng Zi Di C6858603
7.	Unit 1601	323.1299	Non-residential	Yue Fang De Zheng Zi Di C6858604
8.	Unit 1603	334.5076	Non-residential	Yue Fang De Zheng Zi Di C6858606
9.	Unit 1701	413.7286	Non-residential	Yue Fang De Zheng Zi Di C6858607

<u>No.</u>	<u>Unit No.</u>	<u>Gross Floor Area (sq.m.)</u>	<u>Usage</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
10.	Unit 1702	365.2378	Non-residential	Yue Fang De Zheng Zi Di C6858608
11.	Unit 1801	413.7286	Non-residential	Yue Fang De Zheng Zi Di C6858609
12.	Unit 1802	365.2378	Non-residential	Yue Fang De Zheng Zi Di C6858610
	Sub-total	<u>3,980.4871</u>		
13.	Car Park Space No. 1 located on B1	11.9548	Non-residential	Yue Fang De Zheng Zi Di C6858956
14.	Car Park Space No. 2 located on B1	11.56	Car Park Space	Yue Fang De Zheng Sui Zi Di 0120013187
15.	Car Park Space No. 3 located on B1	11.56	Car Park Space	Yue Fang De Zheng Sui Zi Di 0120013181
16.	Car Park Space No. 4 located on B1	11.9548	Non-residential	Fang De Zheng Zi Di C6852800
17.	Car Park Space No. 2 located on B2	11.69	Car Park Space	Yue Fang De Zheng Sui Zi Di 0120024261
18.	Car Park Space No. 3 located on B2	11.69	Car Park Space	Yue Fang De Zheng Sui Zi Di 0120024260
19.	Car Park Space No. 4 located on B2	11.9921	Non-residential	Yue Fang De Zheng Zi Di C6858957
20.	Car Park Space No. 22 located on B2	12.138	Non-residential	Yue Fang De Zheng Zi Di C6858960
21.	Car Park Space No. 23 located on B2	11.526	Non-residential	Yue Fang De Zheng Zi Di C6858961
22.	Car Park Space No. 24 on located B2	12.138	Non-residential	Yue Fang De Zheng Zi Di C6858963
23.	Car Park Space No. 25 located on B2	13.056	Non-residential	Yue Fang De Zheng Zi Di C6858964
24.	Car Park Space No. 26 located on B2	10.7184	Non-residential	Yue Fang De Zheng Zi Di C6858965
25.	Car Park Space No. 32 located on B2	11.6	Non-residential	Yue Fang De Zheng Zi Di C6858969
26.	Car Park Space No. 33 located on B2	11.6	Non-residential	Yue Fang De Zheng Zi Di C6858970
27.	Car Park Space No. 34 located on B2	12.1	Non-residential	Yue Fang De Zheng Zi Di C6852801
	Sub-total	<u>177.2781</u>		
	Total	<u><u>4,157.7652</u></u>		

4. Scient Guangzhou is an indirect 95% owned subsidiary of the Company.
5. The PRC legal opinion states, *inter alia*, the following:
 - (i) The ownership of the property is legally vested in Scient Guangzho.
 - (ii) Scient Guangzhou is legally entitled to use, lease, mortgage and dispose of the property.
 - (iii) The property except car park space Nos. 2 and 3 located on B1 and car park space Nos. 2 and 3 located on B2, other units are subject to mortgage.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
7. An industrial complex located at Qibai Road West, Tangchi Town, Tailai County, Qiqihaer City, Heilongjiang Province, the PRC	<p>The property comprises a parcel of land together with 14 buildings and various structures completed between 1992 and 2008 erected thereon.</p> <p>The property has a site area of approximately 73,206 sq.m. and has a total gross floor area of approximately 25,996.09 sq.m. Particulars of the building portion of the property are summarized in Notes 3 and 4.</p> <p>The property has been granted a land use rights for a term expiring on 30 June 2055 for industrial uses.</p>	The property is occupied by the Group for factory, warehouse and ancillary uses.	<p>RMB34,000,000</p> <p>(equivalent to approximately HK\$39,080,000)</p> <p>(See Note 5 below)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB34,000,000</p> <p>(equivalent to approximately HK\$39,080,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Grant Contract entered into between Heilongjiang Province Qiqihaer City State-owned Land Resources Bureau (Party A) and Heilongjiang Yashili Dairy Co., Ltd. (“Heilongjiang Yashili”) 黑龍江雅士利乳業有限公司 (Party B) dated 30 June 2005, Party A has agreed to transfer the land use rights of the property with a site area of approximately 73,206 sq.m. for a term of 50 years commencing from the date of handover the land from Party A to Party B for industrial uses at a consideration of RMB2,928,240.
- According to a Land Use Rights Certificate (Document No.: Qi Tu Ji Guo Yong (2005) Di No. 0100438), the land use rights of the property having a site area of approximately 73,206 sq.m. have been granted to Heilongjiang Yashili for a term with an expiry date on 30 June 2055 for industrial uses.
- According to 14 Building Ownership Certificates (Document Nos.: Fang Quan Zheng Tai Zi Di No. 44021 (reissued copy of Document No. 38575), Fang Quan Zheng Tai Zi Di No. 44022 (reissued copy of Document No. 38576), Tai Fang Quan Zheng Zi Di No. 38577, 38578, 38579, 38580, Fang Quan Zheng Tai Zi Di No. 44023 (reissued copy of Document No. 38581), Tai Fang Quan Zheng Zi Di No. 38582, 38583, 38584, 38585, 38586, 38587 and 38588.), the ownerships of the building portion with a total gross floor area of approximately 25,996.09 sq.m. have been vested in Heilongjiang Yashili.
- The building portion of the property comprises 14 buildings having a total gross floor area of approximately 25,996.09 sq.m. The particulars of the building portion have been summarized as follow:

<u>Building</u>	<u>Gross Floor</u>		<u>Permitted Usage</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
	<u>Area (sq.m.)</u>	<u>No. of Storey</u>		
Warehouse	1,545.19	3	Industrial	Fang Quan Zheng Tai Zi Di No. 44021 (reissued copy of Document No. 38575)

<u>Building</u>	<u>Gross Floor Area (sq.m.)</u>	<u>No. of Storey</u>	<u>Permitted Usage</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
Bei Men Guard House .	52.34	1	Guard House	Fang Quan Zheng Tai Zi Di No. 44022 (reissued copy of Document No. 38576)
Dormitory	2,953.64	3	Others (Canteen/ Dormitory)	Tai Fang Quan Zheng Zi Di No. 38577
Nan Men Guard House.	70.2	1	Others (Guard House)	Tai Fang Quan Zheng Zi Di No. 38578
Boiler Room	1,804.09	1	Industrial (Boiler Room)	Tai Fang Quan Zheng Zi Di No. 38579
Sewage Treatment Plant	319.6	1	Others (車間)	Tai Fang Quan Zheng Zi Di No. 38580
Oil Storage Room	542.5	1	Warehouse	Fang Quan Zheng Tai Zi Di No. 44023 (reissued copy of Document No. 38581)
Office	760.29	3	Others (Dormitory)	Tai Fang Quan Zheng Zi Di No. 38582
Temporary Warehouse .	1,612.18	1	Warehouse	Tai Fang Quan Zheng Zi Di No. 38583
New Warehouse	2,472.12	1	Warehouse	Tai Fang Quan Zheng Zi Di No. 38584
Main Building of Main Factory	5,406.32	6	Industrial	Tai Fang Quan Zheng Zi Di No. 38585
Ancillary Building of Main Factory	7,491.37	2	Industrial	Tai Fang Quan Zheng Zi Di No. 38586
Hardware Spare Parts Room	158.7	1	Industrial	Tai Fang Quan Zheng Zi Di No. 38587
Car Park	807.55	1	Others (Car Park)	Tai Fang Quan Zheng Zi Di No. 38588
Total	<u>25,996.09</u>			

5. For reference purpose, assuming the structures are entitled to be transferred in the open market, the depreciated replacement cost of the structures was RMB3,880,000 (equivalent to approximately HK\$4,460,000) as at the date of valuation.
6. Heilongjiang Yashili is an indirect wholly-owned subsidiary of the Company.
7. The PRC legal opinion states, *inter alia*, the following:
 - (i) The ownership of the property is legally vested in Heilongjiang Yashili.
 - (ii) Heilongjiang Yashili is legally entitled to occupy, use, lease, mortgage and dispose of the property.
 - (iii) The property is not subject to mortgage.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
8. An industrial complex located at the north west of Longquan Village, south of Forth Ring East Road, Ying County, Shuozhou City, Shanxi Province, the PRC	<p>The property comprises a parcel of land together with 16 buildings completed between 2007 and 2008 erected thereon.</p> <p>The property has a site area of approximately 245,200 sq.m. and has a total gross floor area of approximately 64,806.55 sq.m. In which, 9 buildings having a total gross floor area of approximately 48,430.51 sq.m. have obtained the Building Ownership Certificates and the remaining 7 buildings and an extension of a dormitory (Level 5) with a total gross floor area of approximately 16,376.05 sq.m. have not obtained the Building Ownership Certificates. Particulars of the building portion of the property are summarized in Notes 3 to 5.</p> <p>The land use rights of the property have been granted for a term with an expiry date on 1 February 2057 for industrial use.</p>	The property is occupied by the Group for factory and ancillary uses.	<p>RMB110,990,000</p> <p>(equivalent to approximately HK\$127,570,000)</p> <p>(See Note 6 below)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB110,990,000</p> <p>(equivalent to approximately HK\$127,570,000)</p>

Notes:

- Pursuant to the State-owned Land Use Rights Grant Contract (document no.: GF-2000-2601) entered into between Shanxi Province Shuozhou City Ying County State-owned Land Resources Bureau (Party A) and Shanxi Yashili Dairy Co., Ltd. (Shanxi Yashili) 山西雅士利乳業有限公司 (Party B) dated 1 February 2007, Party A has agreed to transfer the land use rights of the property with a site area of approximately 245,200 sq.m. for a term of 50 years commencing from the date the land is handover from Party A to Party B for industrial use at a consideration of RMB14,712,000.
- According to a Land Use Rights Certificate (Document No.: Ying Guo Yong (2007) Di No. 2014), the land use rights of the property having a site area of approximately 245,200 sq.m. have been granted to Shanxi Yashili for a term with an expiry date on 1 February 2057 for industrial uses.
- According to a Survey Report for the purpose of registration of building ownership rights (Document No. Bing Ce Zi Zi 44104001), the breakdown of gross floor area is as follows:

<u>Building</u>	<u>Gross Floor Area (sq.m.)</u>	<u>No. of Storey</u>	<u>Year of Completion</u>
Office	1,836.858	3	2008
Dormitory (Level 1–Level 4).	5,537.52	4	2008
Traverse (通廊).	1,230	2	2008
Main Production Workshop.	11,397.85	7	2008
Ancillary Workshop.	15,841.28	2	2008
Boiler Room.	4,240.368	3	2008
Packaging Workshop	7,020	1	2008
Car Park	958.5	1	2008
Car Wash Room	368.128	1	2008
Total	<u>48,430.51</u>		

4. According to a Building Ownership Certificates (Document No.: Fang Quan Zheng Ying Fang Zi Di No. 01830) dated 31 December 2008, the ownerships of the building portion with a total gross floor area of approximately 48,430.510 sq.m. have been vested in Shanxi Yashili. The breakdown of gross floor area is as follows:

Gross Floor Area (sq.m.)	No. of Storey	Permitted Usage
7,374.38	3-4	Dormitory, Office
1,230	2	Traverse (通廊)
39,826.13	1-7	Workshop, Boiler Room, Car Park, Car Wash Room
<u>48,430.51</u>		

5. The building portion of the property comprises 16 buildings having a total gross floor area of approximately 64,806.55 sq.m. In which, 9 buildings having a total gross floor area of approximately 48,430.51 sq.m. have obtained the Building Ownership Certificates and the remaining 7 buildings and an extension of a dormitory (Level 5) with a total gross floor area of approximately 16,376.05 sq.m. have not obtained the Building Ownership Certificates. The particulars of the building portion have been summarized as follow:

Building	Gross Floor Area (sq.m.)	No. of Storey	Real Estate Ownership Certificate (Document No.)
Office	1,836.858	3	Fang Quan Zheng Ying Fang Zi Di No. 01830
Dormitory (Level 1–Level 4).	5,537.52	4	Fang Quan Zheng Ying Fang Zi Di No. 01830
Traverse (通廊).	1,230	2	Fang Quan Zheng Ying Fang Zi Di No. 01830
Main Production Workshop.	11,397.85	7	Fang Quan Zheng Ying Fang Zi Di No. 01830
Ancillary Workshop.	15,841.28	2	Fang Quan Zheng Ying Fang Zi Di No. 01830
Boiler Room.	4,240.368	3	Fang Quan Zheng Ying Fang Zi Di No. 01830
Packaging Workshop	7,020	1	Fang Quan Zheng Ying Fang Zi Di No. 01830
Car Park	958.5	1	Fang Quan Zheng Ying Fang Zi Di No. 01830
Car Wash Room	368.128	1	Fang Quan Zheng Ying Fang Zi Di No. 01830
New Warehouse	14,234.9	1	Not Applicable
Dormitory (Level 5).	1,388	1	Not Applicable
Warehouse-cum-Office.	239.2	1	Not Applicable
Sales Store	155	1	Not Applicable
Security Room	20.7	1	Not Applicable
Dong Da Guard House.	51	1	Not Applicable
Logistics Guard House.	51	1	Not Applicable
Sewage Treatment Plant.	236.25	1	Not Applicable
Total	<u>64,806.55</u>		

6. For the buildings without building ownership certificates and a boiler room which is under construction, we have ascribed no commercial value to these buildings. However, for reference purpose, assuming the property is entitled to be transferred in the open market, the depreciated replacement cost of the above-mentioned buildings with a total gross floor area of approximately 16,376.05 sq.m. was RMB16,216,000 (equivalent to approximately HK\$18,640,000), structures was RMB8,291,000 (equivalent to approximately HK\$9,530,000) and a boiler room which is under construction was RMB1,740,000 (equivalent to approximately HK\$2,000,000) as at the date of valuation.
7. Shanxi Yashili is an indirect wholly-owned subsidiary of the Company.

8. The PRC legal opinion states, *inter alia*, the following:
- (i) The ownership of the property except the buildings without building ownership certificates is legally vested in Shanxi Yashili.
 - (ii) Shanxi Yashili is legally entitled to occupy, use, lease, mortgage and dispose of the property except the buildings without building ownership certificates.
 - (iii) The property is not subject to mortgage.
 - (iv) The legal opinion does not foresee legal impediment for the buildings without building ownership certificates as mentioned in Note 5 above and the boiler room which is under construction to obtain building ownership certificates.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
9. A factory development located at the west of Fifteen Road and south of Hanghai East Road, Guancheng Hui District, Zhengzhou City, Henan Province, the PRC	<p>The property comprises a parcel of land together with a building which is under construction.</p> <p>The property has a site area of approximately 60,544.4 sq.m. A workshop is under construction. The gross floor area of the proposed workshop upon completion will be approximately 25,400 sq.m.</p> <p>According to the information given, the proposed workshop is scheduled to be completed in December 2011.</p> <p>The property has been granted a land use rights for a term with an expiry date on 17 September 2058 for industrial uses.</p>	The property is under construction.	<p>RMB23,250,000</p> <p>(equivalent to approximately HK\$26,720,000)</p> <p>(See Note 6 below)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB23,250,000</p> <p>(equivalent to approximately HK\$26,720,000)</p>

Notes:

- Pursuant to a Contract for Grant of State-owned Land Use Rights (referred hereinafter together as the "Contract") entered into between Zhengzhou City State-owned Land Resources Bureau (referred hereinafter as the "Grantor") and Yashili (Zhengzhou) Nourishment Co., Ltd. (雅士利(鄭州)營養品有限公司) ("Yashili Zhengzhou") on 24 April 2008, the Grantor agree to grant the land use rights of the property with a total site area of approximately 60,544.4 sq.m. to Yashili Zhengzhou for a term of 50 years commencing from the date of issuance of State-owned Land Use Right Certificate for industrial use at a land grant fee of RMB23,250,000. The Contract contains, *inter-alia*, the following salient conditions:

Nature of Main Building	:	Industrial
Plot Ratio	:	1, 1.2
Site Coverage	:	Not less than 35%
Green Area Ratio	:	Not more than 20%
- According to a Land Use Rights Certificate (Document No.: Zheng Guo Yong (2008) Di No. 0644), the land use rights of the property (Site No.: JJ1-100-145) having a site area of approximately 60,544.4 sq.m. has been granted to Yashili Zhengzhou for a term with an expiry date on 17 September 2058 for industrial uses.
- According to a Construction Land Use Planning Permit (Document No. 2008 Zheng Cheng Gui Gui De Xu Zi No. (K04)) issued by Planning Environmental Protection Bureau of Zhengzhou Economic & Technological Development Area in favor of Yashili Zhengzhou, the permitted site area for construction of the property is approximately 60,544.4 sq.m.

4. According to the information given, the construction planning permit, construction work commencement permit and building ownership certificate have not yet been obtained, the gross floor area of the proposed workshop is based on an approval letter of design proposal issued by Planning Environmental Protection Bureau of Zhengzhou Economic Technology Development District dated October 2007. In arriving of the valuation, we have based on this gross floor area.
5. According to the information given, the estimated construction costs (excluding land costs) of expended as at 31 August 2010 was in the sum of RMB4,210,000 and the outstanding construction costs to complete the development was approximately RMB39,970,000. In the course of our valuation, we have taken into account the said construction costs.
6. The building ownership certificate of the proposed workshop has not yet been obtained and therefore the proposed workshop is not able to be freely transfer in the market, we have ascribed no commercial value to the proposed workshop. For reference purpose, on the assumption the construction planning permit, construction work commencement permit and building ownership certificate had been obtained, the depreciated replacement cost was RMB4,210,000 (equivalent to approximately HK\$4,840,000) as at the date of valuation.
7. Yashili Zhengzhou is an indirectly wholly-owned subsidiary of the Company.
8. The PRC legal opinion states, *inter alia*, the following:
 - (i) The ownership of the land and the building which is under construction is legally vested in Yashili Zhengzhou.
 - (ii) Yashili Zhengzhou is legally entitled to occupy, use, lease, mortgage and dispose of the land.
 - (iii) The property is not subject to mortgage.
 - (iv) The legal opinion does not foresee legal impediment to obtain building ownership certificate of the building which is under construction upon its completion.

VALUATION CERTIFICATE

Group II — Property interests held by the Group in the PRC for investment

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
10. Units 801–803, 901–903, 1001–1003, 1101–1103, 1201–1203, 1301–1303 and 1602 Chuangju Commercial Building, No. 185 Yuexiu Road South, Yuexiu District, Guangzhou City, Guangdong Province, the PRC	<p>The property comprises 19 office units located at various levels of a 29-storey building completed in 2007.</p> <p>The office portion has a gross floor area of approximately 5,877.8 sq.m.</p> <p>The property has been granted a land use rights for a term of 50 years commencing from 15 October 2004 for commercial service uses.</p>	<p>The property is subject to various tenancies with the latest term being expired on 20 February 2019 at an annual rental of approximately RMB4,457,701.8. The particulars of the tenancies are summarized in Note 4.</p> <p>The property is occupied by the tenants for office uses.</p>	<p>RMB95,560,000</p> <p>(equivalent to approximately HK\$109,840,000)</p> <p>Interest attributable to the Group 95%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 RMB90,782,000</p> <p>(equivalent to approximately HK\$104,347,000)</p>

Notes:

- According to 19 Sale and Purchase Agreements entered into between Guangzhou City Gao Cheng Real Estate Development Co. Ltd. (廣州市高城房地產開發有限公司) (the Seller) and Scient (Guangzhou) Baby Nourishment Co., Ltd. (施恩(廣州)嬰幼兒營養品有限公司) (“Scient Guangzhou”) (the Purchaser) dated between 19 March 2007 and 11 September 2007, the office portion having a gross floor area of 5,898.99 sq.m. was agreed to be purchased by the Purchaser at a consideration of RMB64,857,400.
- Pursuant to 19 Real Estate Ownership Certificates (Document Nos.: Yue Fang De Zheng Zi Di C6905309, C6905310, C6905311, C6905312, C6905313, C6905314, C6905315, C6905316, C6905317, C6905318, C6905319, C6905320, C6905321, C6905322, C6905323, C6905324, C6905325, C6905326, C6858605), the land use rights of the property for a term of 50 years commencing from 15 October 2004 for commercial service uses.
- As stipulated, the ownerships of 19 office units with a gross floor area of approximately 5,877.8 sq.m. have been vested in Scient Guangzhou. The breakdown of gross floor area of each unit is as follows:

<u>No.</u>	<u>Unit No.</u>	<u>Gross Floor Area (sq.m.)</u>	<u>Usage</u>	<u>Real Estate Ownership Certificate (Document No.)</u>
1.	Unit 801	507.7111	Non-residential	Yue Fang De Zheng Zi Di C6905309
2.	Unit 802	268.1196	Non-residential	Yue Fang De Zheng Zi Di, C6905310
3.	Unit 803	285.7302	Non-residential	Yue Fang De Zheng Zi Di, C6905311
4.	Unit 901	507.7111	Non-residential	Yue Fang De Zheng Zi Di, C6905312
5.	Unit 902	268.1196	Non-residential	Yue Fang De Zheng Zi Di, C6905313
6.	Unit 903	285.7302	Non-residential	Yue Fang De Zheng Zi Di, C6905314
7.	Unit 1001	323.1299	Non-residential	Yue Fang De Zheng Zi Di, C6905315
8.	Unit 1002	224.8209	Non-residential	Yue Fang De Zheng Zi Di, C6905316

No.	Unit No.	Gross Floor		Real Estate Ownership Certificate (Document No.)
		Area (sq.m.)	Usage	
9.	Unit 1003	334.5076	Non-residential	Yue Fang De Zheng Zi Di, C6905317
10.	Unit 1101	323.1299	Non-residential	Yue Fang De Zheng Zi Di, C6905318
11.	Unit 1102	224.8209	Non-residential	Yue Fang De Zheng Zi Di, C6905319
12.	Unit 1103	334.5076	Non-residential	Yue Fang De Zheng Zi Di, C6905320
13.	Unit 1201	323.1299	Non-residential	Yue Fang De Zheng Zi Di, C6905321
14.	Unit 1202	224.8209	Non-residential	Yue Fang De Zheng Zi Di, C6905322
15.	Unit 1203	334.5076	Non-residential	Yue Fang De Zheng Zi Di, C6905323
16.	Unit 1301	323.1299	Non-residential	Yue Fang De Zheng Zi Di, C6905324
17.	Unit 1302	224.8209	Non-residential	Yue Fang De Zheng Zi Di, C6905325
18.	Unit 1303	334.5076	Non-residential	Yue Fang De Zheng Zi Di, C6905326
19.	Unit 1602	224.8209	Non-residential	Yue Fang De Zheng Zi Di, C6858605
	Total	<u>5,877.7763</u>		

4. Pursuant to 8 lease agreements, a portion of the property with a total gross floor area of approximately 5,876.3984 sq.m. are subject to tenancies, the particulars are as follows:

Leased part of the property	Tenant	Lease Term	Annual Rent	Approximate Gross Floor Area (sq.m.)
Unit 801, 802, 803	Zhuo Wang Digital Technology (Shenzhen) Co. Ltd. (卓望 數碼技術(深圳) 有限公司)	8 February 2010 to 7 February 2011	RMB955,404	1,061.56
Unit 901A and 903	Guangdong Numerical Certificate Certified Centre Co. Ltd. (廣東數字證書 認證中心有限 公司)	10 September 2009 to 31 October 2014	Rent free period from 10 September 2009 to 25 October 2009 RMB359,136 for a period from 26 October 2009 to 31 October 2011. RMB377,088 for a period from 1 November 2011 to 31 October 2012. RMB395,940 for a period from 1 November 2012 to 31 October 2013 and RMB415,740 for a period from 1 November 2013 to 31 October 2014.	516
Unit 901B and 902	Gao Ting (高婷)	28 December 2009 to 10 March 2015	Rent free period from 28 December 2009 to 10 March 2010, RMB379,320 for a period from 11 March 2010 to 10 March 2012, RMB390,696 for a period from 11 March 2012 to 10 March 2013, RMB402,420 for a period from 11 March 2013 to 10 March 2014 and RMB414,492 for a period from 11 March 2014 to 10 March 2015.	545

<u>Leased part of the property</u>	<u>Tenant</u>	<u>Lease Term</u>	<u>Annual Rent</u>	<u>Approximate Gross Floor Area (sq.m.)</u>
Units 1001, 1002 and 1003	Zhao Wang Digital Technology (Shenzhen) Co. Ltd. (卓望 數碼技術(深圳) 有限公司)	18 November 2009 to 17 November 2010	RMB794,214	882.46
Units 1101, 1102 and 1103	Guangzhou Ju Jiao Network Technology Co. Ltd. (廣州 聚焦網絡技術 有限公司)	10 January 2010 to 31 March 2012	Rent free period from 10 January 2010 to 31 March 2010 and RMB614,192.16 for a period from 1 April 2010 to 31 March 2012.	882.46
Units 1201, 1202 and 1203	Guangdong Tai Ping Network Advertisement Co. Ltd. (廣東 太平網聯廣告 有限公司)	1 October 2009 to 30 September 2014	RMB582,422.52 for a period from 1 October 2009 to 30 September 2010, RMB611,543.64 for a period between 1 October 2010 to 30 September 2011, RMB642,120.84 for a period from 1 October 2011 to 30 September 2012, RMB674,226.84 for a period from 1 October 2012 to 30 September 2013 and RMB707,938.2 for a period from 1 October 2013 to 30 September 2014.	882.4584
Units 1301, 1302 and 1303	Lin Hui Min (林惠敏)	1 January 2010 to 28 February 2015	Rent free period from 1 January 2010 to 28 February 2010, RMB593,013.12 for a period from 1 March 2010 to 28 February 2012, RMB614,192.16 for a period from 1 March 2012 to 28 February 2013 and RMB635,371.2 for a period from 1 March 2013 to 28 February 2015	882.46
Unit 1602	Guangzhou Yuqian Import and Export Trading Co., Ltd. (廣州 裕乾進出口貿易 有限公司) (Guangzhou Yuqian)	20 February 2009 to 20 February 2019	RMB180,000	224
Total			Current Rent RMB4,457,701.8	<u>5,876.3984</u>

5. Scient Guangzhou is an indirect 95% owned subsidiary of the Company.
6. Guangzhou Yuqian is an indirect wholly-owned subsidiary of the Company.
7. The PRC legal opinion states, *inter alia*, the following:
 - (i) The ownership of the property is legally vested in Scient Guangzhou.
 - (ii) Scient Guangzhou is legally entitled to occupy, use, lease, mortgage and dispose of the property.
 - (iii) The property is subject to mortgage.
 - (iv) The lease agreement between Scient Guangzhou (lessor) and Guangzhou Yuqian (lessee) is legally binding between both parties. The lessee has the rights to use the property during the lease period. The lease is registered with the appropriate government authorities. Unit 1602 has been used for its prescribed uses. Unit 1602 is subject to a mortgage prior to the lease agreement has been signed, the lease is subject to the rights of the mortgagee.

VALUATION CERTIFICATE

Group III — Property interests to be acquired and occupied by the Group in the PRC

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>																		
11. A factory development located at the south of Hanghai East Road and east of Jing Kai Fourteen Road, Guancheng Hui District, Zhengzhou City, Henan Province, the PRC	<p>The property comprises a parcel of land together with buildings which are under construction.</p> <p>The property has a site area of approximately 85,267.12 sq.m. Various buildings are under construction. The gross floor area of the proposed buildings upon completion will be approximately 58,600 sq.m. The gross floor area of the buildings upon completion will be approximately as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;"><u>Use</u></th> <th style="text-align: right;"><u>Gross Floor Area (sq.m.)</u></th> </tr> </thead> <tbody> <tr> <td>Office</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>Dormitory</td> <td style="text-align: right;">18,000</td> </tr> <tr> <td>Canteen</td> <td style="text-align: right;">3,100</td> </tr> <tr> <td>Baby milk powder packaging workshop</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Cold room workshop</td> <td style="text-align: right;">2,000</td> </tr> <tr> <td>Sewage treatment workshop</td> <td style="text-align: right;">1,500</td> </tr> <tr> <td>Electrical room</td> <td style="text-align: right;"><u>1,000</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u><u>58,600</u></u></td> </tr> </tbody> </table>	<u>Use</u>	<u>Gross Floor Area (sq.m.)</u>	Office	3,000	Dormitory	18,000	Canteen	3,100	Baby milk powder packaging workshop	30,000	Cold room workshop	2,000	Sewage treatment workshop	1,500	Electrical room	<u>1,000</u>	Total:	<u><u>58,600</u></u>	The office, canteen and baby milk powder packaging workshop are under construction.	<p>No commercial value</p> <p>(See Notes 5 to 6 below)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 Nil</p>
<u>Use</u>	<u>Gross Floor Area (sq.m.)</u>																				
Office	3,000																				
Dormitory	18,000																				
Canteen	3,100																				
Baby milk powder packaging workshop	30,000																				
Cold room workshop	2,000																				
Sewage treatment workshop	1,500																				
Electrical room	<u>1,000</u>																				
Total:	<u><u>58,600</u></u>																				
	<p>According to the information given, the proposed buildings are scheduled to be completed in April 2012.</p> <p>According to the Sales and Purchase Agreement, the property has been granted a land use rights for a term of 50 years commencing from 26 November 2010 for industrial uses.</p>																				

Notes:

1. Pursuant to a Contract for Grant of State-owned Land Use Rights (referred hereinafter together as the “Contract”) entered into between Zhengzhou City State-owned Land Resources Bureau (referred hereinafter as the “Grantor”) and Yashili (Zhengzhou) Nourishment Co. Ltd. (雅士利(鄭州)營養品有限公司) (“Yashili Zhengzhou”) on 30 August 2010, the Grantor agree to grant the land use rights of the property with a total site area of approximately 85,267.12 sq. m. to Yashili Zhengzhou for a term of 50 years commencing from 26 November 2010 for industrial use at a land grant fee of RMB22,920,000. The Contract contains, inter-alia, the following salient conditions:

Nature of Main Building	:	Industrial
Plot Ratio	:	Not less than 1
Site Coverage	:	Not less than 30%
Green Area Ratio	:	Not more than 20%
2. According to the information given by the Company, the property has not been issued with State-owned Land Use Rights Certificate.
3. According to the information given, the construction land use permit, construction planning permit, construction work commencement permit and building ownership certificates have not yet been obtained, the gross floor area of the proposed buildings is based on an approval letter of design proposal issued by Planning Environmental Protection Bureau of Zhengzhou Economic Technology Development District dated October 2007. In arriving of the valuation, we have based on this gross floor area.
4. According to the information given, the estimated construction costs (excluding land costs) of expended as at 31 August 2010 was in the sum of RMB14,630,000 and the outstanding construction costs to complete the development was approximately RMB96,920,000. In the course of our valuation, we have taken into account the said construction costs.
5. The land use rights certificate of the property has not yet been obtained and therefore the land is not able to be freely transfer in the market, we have ascribed no commercial value to the land. For reference purpose, on the assumption the land use rights certificate had been obtained and all the land use rights premiums, compensations and the associated fees on public utility provisions had been fully settled as at the date of valuation was RMB27,290,000 (equivalent to approximately HK\$31,370,000).
6. The land use rights certificate and building ownership certificates of the proposed office, canteen, baby milk powder packaging workshop and dormitory have not yet been obtained and therefore the proposed buildings are not able to be freely transfer in the market, we have ascribed no commercial value to the proposed buildings. For reference purpose, on the assumption the construction land use permit, construction planning permit, construction work commencement permit, land use rights certificate and building ownership certificates had been obtained, the depreciated replacement cost of the aforesaid proposed buildings with a total gross floor area of approximately 54,100 sq.m. was RMB14,630,000 (equivalent to approximately HK\$16,820,000) as at the date of valuation.
7. Yashili Zhengzhou is an indirectly wholly-owned subsidiary of the Company.
8. The PRC legal opinion states, *inter alia*, the following:
 - (i) Zhengzhou Yashili had paid the deposit of land grant fee according to the time frame stipulated in the Contract.
 - (ii) The legal opinion does not foresee legal impediment to obtain the Land Use Rights Certificate.
 - (iii) According to the documents issued by Construction Bureau of Zhengzhou Economic & Technological Development Area, Planning Environmental Protection Bureau of Zhengzhou Economic & Technological Development Area and Real Estate Management Bureau of Zhengzhou Economic & Technological Development Area dated 31 August 2010, the legal opinion considers that Zhengzhou Yashili has the rights to construct the buildings which are under construction and does not foresee legal impediment to obtain building ownership certificates upon their completion.

VALUATION CERTIFICATE

Group IV — Property interests leased by the Group in the PRC

	<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
12.	An industrial complex located at Longkeng Industrial Area (adjacent to Jiaoshan Road), Chaoan Road West, Chaoan County, Chaozhou City, Guangdong Province, the PRC	<p>The property comprises a parcel of land together with 4 buildings completed in about 2006 erected thereon.</p> <p>The property has a total site area of approximately 17,176 sq.m. The buildings consists of a workshop, a warehouse, a dormitory and a boiler room and has a total gross floor area of approximately 18,613 sq.m.</p>	<p>The property is leased to Chaoan Bisheng Decoration and Printing Co., Ltd. (“Bisheng”) by a connected party for a term from 1 April 2008 and expiring on 30 March 2018 at a monthly rent of RMB223,356.</p> <p>The property is occupied by the Group for factory, warehouse and ancillary uses.</p>	No commercial value

Notes:

1. The PRC Legal Opinion has stated that:
 - (i) Since the property is built on a land of collective land in nature, the lessee is not protected by the PRC law. However, the property is not used by the lessee for operating main business, if the lease agreement is not enforceable or the land administrative authority require the lessee to move away from the property, such potential risk would not cause a material adverse effect on the Group operating the business.
2. According to the information provided by the Company, the lessor of the property is a connected party.
3. Bisheng is an indirect wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 August 2010
13. Units 901 and 902, No. 1033 Yanan West Road, Changning District, Shanghai, the PRC	<p>The property comprises an office unit on Level 9 of a 32-storey building excluding 2-storey basements completed in about 2006.</p> <p>The property has a gross floor area of approximately 400.36 sq.m.</p>	<p>The property is leased to Shanghai Yashili Food Co., Ltd. (上海雅士利食品有限公司) (“Shanghai Yashili”) by a connected party for a term from 1 January 2009 and expiring on 31 December 2010 at a monthly rent of RMB5,000.</p> <p>The property is occupied by the Group for office uses.</p>	No commercial value

Notes:

1. According to the information provided by the Company, the lessor of the property is a connected party,
2. Shanghai Yashili is an indirect wholly-owned subsidiary of the Company.
3. The PRC Legal Opinion has stated that:
 - (i) The lessor has the legal title to lease the property.
 - (ii) The lease has not been registered with the appropriate government authorities. However, the lease is legally binding between both parties. The lessee has the rights to use the property during the lease period.
 - (ii) The property is not subject to mortgage.

VALUATION CERTIFICATE

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 August 2010
14.	Unit 14, Level 7 Block 18-1 No. 16, San Guan Tang Road, Jinjiang District, Chengdu City, Sichuan Province, the PRC	The property comprises an residential unit on Level 7 of a 11-storey building completed in about 2004. The property has a gross floor area of approximately 132.25 sq.m.	The property is leased to Guangdong Yashili Group Co., Ltd. (“Guangdong Yashili”) (廣東雅士利集團股份有限公司) by an independent third party for a term from 10 June 2010 and expiring on 9 June 2012 at a monthly rent of RMB2,600. The property is occupied by the Group for ancillary office uses.	No commercial value

Notes:

1. According to the information provided by the Company, the lessor is an independent third party, which is not connect with and is independent of, any of the directors or any of their respective associates of the Company.
2. Guangdong Yashili is an indirect wholly-owned subsidiary of the Company.
3. The PRC Legal Opinion has stated that:
 - (i) The lessor has the legal title to lease the property.
 - (ii) The lease has not been registered with the appropriate government authorities. However, the lease is legally binding between both parties and the lessee has the rights to use the property during the lease period.
 - (iii) The usage of the property is not complied with the designated usage. However, the PRC law does not specify the legal consequence of the usage of the property which is not complied with the designated usage. The non-compliance of designated usage would not cause substantial effect on Guangdong Yashili.

VALUATION CERTIFICATE

Group V — Property interests held by the Group in the United State of America for investment

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 August 2010</u>
15. Lot 12, Block 1, Orchard Lake Estate, Section 1, Fort Bend County, Texas, the United States of America	<p>The property comprises a parcel of land together with a 1.5 storey detached house completed in about 2001 erected thereon.</p> <p>The site area of the property is approximately 959.1 sq.m.</p> <p>The gross floor area of the property is approximately 324.9 sq.m.</p>	<p>The property is leased to Teresa Ton by Scient International USA., Inc. for a term from 1 June 2010 and expiring on 31 May 2011 at a monthly rent of USD900.</p> <p>The property is occupied for residential uses.</p>	<p>USD293,704</p> <p>(equivalent to approximately HK\$2,259,000)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in existing state attributable to the Group as at 31 August 2010 USD293,704</p> <p>(equivalent to approximately HK\$2,259,000)</p>

Notes:

1. According to the warranty deed of record in the Fort Bend County Clerk's office, the property is legally described as Lot 12, Block 1, Orchard Lake Estates, Section 1, and the owner of the property is shown to be Scient International (USA), Inc.
2. Based on a search of the public records in the Fort Bend County Clerk's office, the property is not subject to mortgage.
3. Our valuation opinion is reached having regard to the valuation report undertaken by Mr. Ronald P. Little and Mr. Tommie Crowell of National Realty Consultants. Mr. Ronald P. Little holds the qualifications of MAI designation of the Appraisal Institute and Texas State Certified General Real Estate Appraiser. Mr. Tommie Crowell holds the qualifications of MAI and SRA designations of the Appraisal Institute and Texas State Certified General Real Estate Appraiser.
4. Scient International USA., Inc. is an indirect wholly-owned subsidiary of the Company.