

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 31 August 2010 of the property interests of the Group.*



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Licence No: C-030171

30 November 2010

The Board of Directors  
China New Materials Holdings Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

Dear Sirs,

In accordance with your instructions to value the properties in which China New Materials Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC"), 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 2010 (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".

Where, due to the nature of the buildings and structures of property interest in Group I and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interest has therefore been valued on the basis of its depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with a modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

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

We have valued the property interest in Group III by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

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

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 value of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense 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 value.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of 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; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

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, Building Ownership Certificates, and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing titles to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers, June He Law Offices, concerning the validity of the Group's titles of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title 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 investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. 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.

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

Our valuation is summarized 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 27 years' experience in the valuation of properties in the PRC and 30 years of property valuation experience in Hong Kong, the United Kingdom as well as relevant valuation experience in the Asia-Pacific region.*

## SUMMARY OF VALUES

## Group I – Property interest held and occupied by the Group in the PRC

No.	Property	Capital value in existing state as at 31 August 2010 RMB
1.	2 parcels of land various buildings and structures located at Haochun Road Dongying Economic Development Zone Dongying City Shandong Province The PRC	31,998,000
		Sub-total: 31,998,000

## Group II – Property interest held under development by the Group in the PRC

No.	Property	Capital value in existing state as at 31 August 2010 RMB
2.	A parcel of land together with various buildings and structures located to the west of Baoshan Road and the north of Beiling Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	103,964,000
		Sub-total: 103,964,000

**Group III – Property interest held for future development by the Group in the PRC**

No.	Property	Capital value in existing state as at 31 August 2010 RMB
3.	A parcel of land located to the south of Zhongrun Road and the west of Baoshan Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	72,986,000
		Sub-total: 72,986,000

**Group IV – Property interests leased and occupied by the Group in the PRC**

No.	Property	Capital value in existing state as at 31 August 2010 RMB
4.	Units 103 and 201 on Levels 1 and 2 of a 5-storey building No. 138 Zhongrun Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	No commercial value
5.	Units 602 and 603 on Level 6 of CITIC Bank Plaza No. 150 Liyuan Street Jinan City Shandong Province The PRC	No commercial value

No.	Property	Capital value in existing state as at 31 August 2010 RMB
6.	Units 203 and 204 on Level 2 of a 2-storey building No. 138 Zhongrun Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	No commercial value
7.	A Building No. 165 Zhongrun Road Zibo National New & Hi-tech Industrial Park Zibo City Shangdong Province The PRC	No commercial value
		Sub-total: <u><u>Nil</u></u>

**Group V – Property interest leased and occupied by the Group in Hong Kong**

No.	Property	Capital value in existing state as at 31 August 2010 RMB
8.	Units 2012 and 2013 on 20th Floor Two Pacific Place 88 Queensway Hong Kong	No commercial value
		Sub-total: <u><u>Nil</u></u>
		Grand total: <u><u>208,948,000</u></u>

## VALUATION CERTIFICATE

## Group I – Property interest held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
1.	2 parcels of land various buildings and structures located at Haochun Road Dongying Economic Development Zone Dongying City Shandong Province The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 137,587.37 sq.m. and 26 buildings and various ancillary structures erected thereon which were completed in various stages between 1994 and 2007.</p> <p>The buildings have a total gross floor area of approximately 17,710.51 sq.m.</p> <p>The buildings comprise 10 industrial buildings, 3 office buildings, a canteen, 7 warehouses, 2 fire control houses, a bath room, a garage and a guardroom.</p> <p>The structures mainly include sheds, boundary fences and roads.</p> <p>The land use rights of a parcel of land with a site area of approximately 89,730.87 sq.m. have been granted for a term expiring on 19 May 2044 for industrial use, and the land use rights of the remaining parcel of land with a site area of approximately 47,856.50 sq.m. have been leased for a term of 15 years expiring on 10 December 2024.</p>	The property is currently occupied by the Group for production and office purposes.	31,998,000

*Notes:*

1. Dongying Shengli A&C Chemical Co., Ltd. (“Dongying Shengli”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate – Dong Guo Yong (2004) Zi Di No. 469, the land use rights of a parcel of land with a site area of approximately 89,730.87 sq.m. have been granted to Dongying Shengli for a term expiring on 19 May 2044 for industrial use.
3. Pursuant to a tenancy agreement, a parcel of the land with a site area of approximately 47,856.50 sq.m. was leased to Dongying Shengli from China Petrochemical Corporation Shengli Petroleum Administration Bureau (the “Lessor”) for a term of 15 years expiring on 10 December 2024 at an annual rent of RMB150,748 for industrial purpose.
4. Pursuant to 4 Building Ownership Certificates – Dong Fang Quan Zheng Hao Chun Lu Zi Di Nos. 004000 and 004002 to 004004, 17 buildings with a total gross floor area of approximately 10,273.51 sq.m. are owned by Dongying Shengli, which are erected on the land mentioned in note 2.
5. Pursuant to 2 Building Ownership Certificates – Dong Fang Quan Zheng Hao Chun Lu Zi Di Nos. 004001 and 004005, 9 buildings with a total gross floor area of approximately 7,437 sq.m. are owned by Dongying Shengli, which are erected on the leased land mentioned in note 3.
6. In the valuation of this property, we have attributed no commercial value to the leased land and 9 buildings with a total gross floor area of approximately 7,437 sq.m. (which are erected on the leased land mentioned in note 3). However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land element) as at the date of valuation would be RMB5,390,000 assuming all relevant title certificates had been obtained and the buildings could be freely transferred.
7. 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 land use rights of the land mentioned in note 2 are legally owned by Dongying Shengli and can be legally occupied, used, transferred, sublet, mortgaged or disposed of by Dongying Shengli in accordance with the valid term in the land use rights certificates;
  - b. The building ownership rights mentioned in note 4 are legally owned by Dongying Shengli and can be legally occupied, used, transferred, sublet, mortgaged or otherwise disposed of by Dongying Shengli;
  - c. The tenancy agreement mentioned in note 3 is legal, valid and binding on both signing parties, which has been registered with the local land administrative authority; the leased land can be legally occupied and used by Dongying Shengli in accordance with the stipulations of the tenancy agreement and the PRC laws. Dongying Shengli cannot transfer, mortgage or sublet the land use rights without the consent of the Lessor of the land mentioned in note 3;
  - d. The building ownership rights mentioned in note 5 are legally owned by Dongying Shengli and can be legally occupied and used; but transferring, mortgaging or subletting these buildings should be restricted by the Lessor mentioned in note 3; and
  - e. The land use rights mentioned in note 2 and the buildings of the property mentioned in notes 4 and 5 are not subject to seizure or any other parties’ interests.



## VALUATION CERTIFICATE

## Group II – Property interest held under development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
2.	A parcel of land together with various buildings and structures located to the west of Baoshan Road and the north of Beiling Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 229,655 sq.m. with various buildings and structures which were being constructed on the land as at the date of valuation (the “CIP”).</p> <p>As advised by the Company, the CIP is scheduled to be completed in December 2010. Upon completion, the buildings will have a total gross floor area of approximately 10,990.36 sq.m.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 1 July 2060 for industrial use.</p>	The property is currently under construction.	103,964,000

## Notes:

- Shandong Full Win New Material Science and Technology Co., Ltd. (“Full Win New Material”) is a wholly-owned subsidiary of the Company
- Pursuant to a State-owned Land Use Rights Grant Contract – Zi Bo-01-2010-0032 (Gua) dated 2 July 2010, the land use rights of the property were contracted to be granted to Full Win New Material for a term of 50 years expiring on 1 July 2060 for industrial use. The land premium was RMB91,983,717.
- Pursuant to a State-owned Land Use Rights Certificate – Zi Guo Yong (2010) Di No. F00173, the land use rights of a parcel of land with a site area of approximately 229,655 sq.m. have been granted to Full Win New Material for a term of 50 years expiring on 1 July 2060 for industrial use.
- Pursuant to a Construction Work Planning Permit – K2010-072 in favour of Full Win New Material, the buildings with a total planned gross floor area of approximately 97,083 sq.m. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – Jian Zi Di No. 370302 2010-067 in favour of Full Win New Material, permission by the relevant local authority was given to commence of the buildings with a total gross floor area of approximately 97,083 sq.m.
- As advised by the Company, the total construction cost for the CIP is estimated to be approximately RMB35,211,500, of which RMB752,000 had been paid up to the date of valuation.
- 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:
  - The land use rights of the property are legally owned by Full Win New Material and can be legally occupied, used, transferred, sublet, mortgaged or disposed of by Full Win New Material in accordance with the valid term in the land use rights certificate;
  - The land use rights of the property are not subject to seizure or any other parties’ interests; and
  - After the Group completes the construction in accordance with relevant construction permits and finishes the registration, there is no legal impediment to obtain relevant building ownership certificates for the CIP.

## VALUATION CERTIFICATE

## Group III – Property interest held for future development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
3.	A parcel of land located to the south of Zhongrun Road and the west of Baoshan Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	The property comprises a parcel of land with a site area of approximately 178,015 sq.m. which is planned to be developed into an industrial plant.  The land use rights of the property have been granted for a term of 50 years expiring on 16 November 2059 for industrial use.	The property is currently vacant.	72,986,000

## Notes:

1. Shandong Full Win New Material Science and Technology Co., Ltd. ("Full Win New Material") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract – Zi Bo-01-2009-0097 (Gua) dated 17 November 2009, the land use rights of the property were contracted to be granted to Full Win New Material for a term of 50 years expiring on 16 November 2059 for industrial use. The land premium was RMB71,300,000.
3. Pursuant to a State-owned Land Use Rights Certificate – Zi Guo Yong (2010) Di No. F00132, the land use rights of a parcel of land with a site area of approximately 178,015 sq.m. have been granted to Full Win New Material for a term of 50 years expiring on 16 November 2059 for industrial use.
4. 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 land use rights of the property are legally owned by Full Win New Material and can be legally occupied, used, transferred, sublet, mortgaged or disposed of by Full Win New Material in accordance with the valid term in the land use rights certificate; and
  - b. The land use rights of the property are not subject to seizure or any other parties' interests.

## VALUATION CERTIFICATE

## Group IV – Property interests leased and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
4.	Units 103 and 201 on Levels 1 and 2 of a 5-storey building No. 138 Zhongrun Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	The property comprises 2 office units on Levels 1 and 2 of a 5-storey office building completed in about 2002.  The property has a total lettable area of approximately 100 sq.m..  Pursuant to a tenancy agreement, the property is leased to Dongying Shengli from Shandong Quanxin Stainless Steel Co., Ltd., a related party, for a term of 2 years expiring on 30 June 2012 at an annual rent of RMB60,955, inclusive of management fees, water and electricity charges.	The property is currently occupied by the Group for office purpose.	No commercial value

## Notes:

1. Dongying Shengli A&C Chemical Co., Ltd. ("Dongying Shengli") is a wholly-owned subsidiary of the Company.
2. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zi Bo Gao Xin Qu Zi Di No. 03-1001535, a building with a total gross floor area of approximately 3,273.75 sq.m. is owned by Shandong Quanxin Stainless Steel Co., Ltd. for office use, which includes the property. Dongying Shengli occupies and uses the leased property in accordance with the prescribed use stated in the building ownership certificate.
3. Pursuant to a document issued by Zibo Real Estate Administrative Bureau, the building mentioned in note 2 is not subject to any mortgage.
4. We have been provided with a legal opinion on 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 legal and valid, but has not been registered with the relevant real estate administrative authority; and
  - b. Non-registration of the lease will not affect the validity of the tenancy agreement because (i) Administration Measures for Lease of Houses in City, which was promulgated by Ministry of Construction on April 28, 1995, does not provide that non-registration of a lease shall affect the validity of the tenancy agreement; and (ii) non-registration of a lease does not fall into the circumstances that will invalidate a contract under the PRC Contract Law.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
5.	Units 602 and 603 on Level 6 of CITIC Bank Plaza No. 150 Liyuan Street Jinan City Shandong Province The PRC	<p>The property comprises 2 office units on Level 6 of a 14-storey office building completed in about 1998.</p> <p>The property has a gross floor area of approximately 232.9 sq.m..</p> <p>Pursuant to a tenancy agreement, the property is leased to Dongying Shengli from Beijing Xinlong Property Management Co., Ltd. (the "Lessor"), an independent third party, for a term of 2 years expiring on 31 July 2012 at an annual rent of RMB196,114.50, inclusive of management fees, water and electricity charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

*Notes:*

1. Dongying Shengli A&C Chemical Co., Ltd. ("Dongying Shengli") is a wholly-owned subsidiary of the Company.
2. Pursuant to a Building Ownership Certificate – Ji Fang Quan Zheng Li Zi Di No. 076194, a building with a total gross floor area of approximately 32,190.58 sq.m. is owned by China Citic Bank Jinan Branch (the "Landlord") for office use, which includes the property. Dongying Shengli occupies and uses the leased property in accordance with the prescribed use stated in the building ownership certificate.
3. Pursuant to a document issued by Jinan Real Estate Administrative Bureau, the building mentioned in note 2 is not subject to any mortgage.
4. We have been provided with a legal opinion on 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 legal and valid, but has not been registered with the relevant real estate administrative authority;
  - b. Non-registration of the lease will not affect the validity of the tenancy agreement because (i) Administration Measures for Lease of Houses in City, which was promulgated by Ministry of Construction on April 28, 1995, does not provide that non-registration of a lease shall affect the validity of the tenancy agreement; and (ii) non-registration of a lease does not fall into the circumstances that will invalidate a contract under the PRC Contract Law; and
  - c. The Landlord has authorized the Lessor to manage the building, and the Lessor is entitled to lease the property to Dongying Shengli.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
6.	Units 203 and 204 on Level 2 of a 2-storey building No. 138 Zhongrun Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	<p>The property comprises 2 office units on Level 2 of a 2-storey office building completed in about 2002.</p> <p>The property has a total lettable area of approximately 76 sq.m..</p> <p>Pursuant to a tenancy agreement, the property is leased to Full Win New Materials from Shandong Quanxin Stainless Steel Co., Ltd., a related party, for a term of 2 years expiring on 22 March 2011 at an annual rent of RMB50,000, inclusive of management fees, water and electricity charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

## Notes:

1. Shandong Full Win New Material Science and Technology Co., Ltd. ("Full Win New Material") is a wholly-owned subsidiary of the Company.
2. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zi Bo Gao Xin Qu Zi Di No. 03-1001536, a building with a total gross floor area of approximately 2,750.52 sq.m. is owned by Shandong Quanxin Stainless Steel Co., Ltd. for office use, which includes the property. Full Win New Material occupies and uses the leased property in accordance with the prescribed use stated in the building ownership certificate.
3. Pursuant to a document issued by Zibo Real Estate Administrative Bureau, the building mentioned in note 2 is not subject to any mortgage.
4. We have been provided with a legal opinion on 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 legal and valid, but has not been registered with the relevant real estate administrative authority; and
  - b. Non-registration of the lease will not affect the validity of the tenancy agreement because (i) Administration Measures for Lease of Houses in City, which was promulgated by Ministry of Construction on April 28, 1995, does not provide that non-registration of a lease shall affect the validity of the tenancy agreement; and (ii) non-registration of a lease does not fall into the circumstances that will invalidate a contract under the PRC Contract Law.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
7	A building No. 165 Zhongrun Road Zibo National New & Hi-tech Industrial Park Zibo City Shandong Province The PRC	The property comprises a single-storey building completed in 2010.  The property has a gross floor area of approximately 1,344 sq.m..  Pursuant to a tenancy agreement, the property is leased to Full Win New Material from Sai Li Ou (Zibo) Mechanical and Electrical Co., Ltd., an independent third party, for a term of one year expiring on 30 August 2011 at an annual rent of RMB241,920, exclusive of water charge, electricity charge, heating charge and other charges.	The property is currently occupied by the Group for testing and trial production purpose.	No commercial value

*Notes:*

1. Shandong Full Win New Material Science and Technology Co., Ltd. ("Full Win New Material") is a wholly-owned subsidiary of the Company
2. Pursuant to a Building Ownership Certificate – Zi Bo Shi Fang Quan Zheng Zi Bo Gao Xin Qu Zi Di No. 31-1014607 a building with a total gross floor area of approximately 1,344 sq.m. is owned by Sai Li Ou (Zibo) Mechanical and Electrical Co., Ltd. for production purpose. Full Win New Material occupies and uses the leased property in accordance with the proscribed use stated in the building ownership certificate.
3. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
  - a. Full Win New Material is entitled to use and occupy the leased property according to the tenancy agreement. The tenancy agreement is legal and valid, but has not been registered with the relevant real estate administrative authority; and
  - b. Non-registration of the lease will not affect the validity of the tenancy agreement because (i) Administration Measures for Lease of Houses in City, which was promulgated by Ministry of Construction on April 28, 1995, does not provide that non-registration of a lease shall affect the validity of the tenancy agreement; and (ii) non-registration of a lease does not fall into the circumstances that will invalidate a contract under the PRC Contract Law.

## VALUATION CERTIFICATE

## Group V – Property interest leased and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2010 RMB
8.	Units 2012 and 2013 on 20th Floor Two Pacific Place 88 Queensway Hong Kong	<p>The property comprises 2 office units on the 20th floor of a 27-storey office building completed in 1990.</p> <p>The property has a total lettable area of approximately 3,335 sq.ft. (309.83 sq.m.).</p> <p>Pursuant to a Tenancy Agreement, the property is leased to Mint World (HK) Limited from Pacific Place Holdings Limited, an independent third party, for a term of 3 years commencing from 11 January 2010 and expiring on 10 January 2013 at a monthly rent of HK\$263,500 exclusive of government rates, air-conditioning and management charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

*Notes:*

1. The registered owner of the property is Pacific Place Holdings Limited vide Memorial No. UB5713623 dated 30 March 1993.
2. Mint World (HK) Limited is a wholly-owned subsidiary of the Company.