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中国多金属矿业
CHINA POLYMETALLIC MINING

China Polymetallic Mining Limited

中國多金屬礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2133)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE ENTIRE SHARE CAPITAL OF
SEVEN GOLD LAMP MINING COMPANY LIMITED**

THE AGREEMENT

The Board hereby announces that on 27 April 2017 the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors, both being Independent Third Parties, entered into the Agreement pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Interests, being the entire share capital of the Target Company, at a total consideration of RMB56,000,000.

As at the date of this announcement, the Target Company holds the Mining Licence, and coordinates of permit is 93C/6(8193/6/(815311, 5311, 815319, 818319, 815319, 818311) 818319, 818311).

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

PROFIT FORECAST

The valuation report issued by Peak Vision Appraisals Limited on the market value of the Target Company is prepared by a discounted cash flow method under the income approach. As such the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

INTRODUCTION

The Board hereby announces that on 27 April 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Agreement pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Interests, being the entire share capital of the Target Company, at a total consideration of RMB56,000,000.

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THE AGREEMENT

The principal terms of the Agreement are as follows:

(A) Date

27 April 2017

(B) Parties

- (i) the Vendors, as vendors; and
- (ii) Hua Xing Global Limited, as purchaser.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendors is an Independent Third Party.

(C) Assets to be acquired

The Sale Interests, being the entire share capital of the Target Company.

(D) Consideration

The Consideration is RMB56,000,000 in cash.

Basis of Determination of the Consideration

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser on normal commercial terms after taking into consideration, among others, the business prospects of the Target Company, the possible future earnings to be contributed by the Target Company to the Group, the synergetic effect on the Group's

current mining business, the Myanmar Mine's estimated resources of copper and lead silver metal and the valuation report issued by Peak Vision Appraisals Limited on the market value of the entire share capital of the Target Company as at 31 March 2017, which is RMB57,800,000. Such valuation was assessed by Peak Vision Appraisals Limited, a firm of independent professional valuers, adopting the discounted cash flow method under the income approach. The valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules, details of which are set out in the section headed "Profit Forecast" in this announcement below.

The consideration of RMB56,000,000 represents a discount of approximately 3.1% to RMB57,800,000, being the market value of the equity interest of the Target Company owned by the Vendors as mentioned in the paragraph hereinabove. The Consideration will be financed by internal resources of the Group.

The Board considers that the Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Payment terms

The Consideration shall be settled by the Purchaser in cash as follows:

- (a) as to RMB55,000,000, to be satisfied at Completion with the total payment in advance in equivalent amount paid by the Purchaser to the Vendors prior to the signing of the Agreement (the "**Deposit**"); and
- (b) as to the balance of RMB1,000,000, to be paid by the Purchaser to the Vendors at Completion (the "**Balance**") less the Withheld Amount (as defined below).

(E) Indemnity

Pursuant to the Agreement, the Vendors have irrevocably and unconditionally agreed to be liable for all liabilities, tax, costs, penalties and expenses incurred by the Target Company with reference to any time falling before the completion of the transfer of the management of the Target Company as mentioned in sub-paragraph (G) below (the "**Liabilities**"). The Purchaser may directly deduct from the Consideration a sum equivalent to the Liabilities as liquidated damages in the event and to the extent that such Liabilities are incurred prior to the payment of the Consideration. In addition and without prejudice to the Purchaser's right mentioned in the preceding sentence, the Purchaser shall have the right to withhold a sum equal to RMB1,000,000 (notwithstanding, and independent of, any sum which may be deducted pursuant to the right mentioned in the preceding sentence) (the "**Withheld Amount**") from the Consideration as security for the payment of any Liabilities that may be incurred for a period of six months from the date of Completion and shall have the right to deduct directly a sum equal to the amount of any Liabilities actually incurred, but not paid by the Vendors, from the Withheld Amount as liquidated damages and the remaining balance of the Withheld Amount, if any, shall be paid to the Vendors (without interest) upon the expiry of the aforesaid six-month period. In the event that the amount of the Liabilities actually incurred but not paid by the Vendors exceeds the Withheld Amount, the Purchaser shall have the right to request the Vendors to pay such shortfall to the Purchaser within 30 days from the date on which such shortfall arises.

(F) Conditions precedent

Completion is conditional upon, inter alia, the fulfillment or waiver (as the case may be) of the following conditions:

- (a) the Purchaser being solely and absolutely satisfied with the results of the due diligence conducted pursuant to the Agreement;
- (b) the operation of the Target Company and its businesses having been continued in the ordinary and usual course;
- (c) the term of the Mining Licence having been renewed for at least one year from 11 April 2017 by the relevant authority in Myanmar and all fees, charges and other payments in connection with such renewal having been duly and fully paid to the relevant authority in Myanmar;
- (d) the Mining Licence (with the renewed term as contemplated under paragraph (c) above) not having been revoked; nor any indication of revocation thereof having been notified to the Target Company or the Vendors by the relevant authority;
- (e) all other necessary consent from third parties (including any governmental or official or regulatory authorities) and all other necessary consents, approvals, registrations and filings required pursuant to any legal or regulatory requirement in respect of the Agreement having been obtained;
- (f) there being no Material Adverse Change subsisting;
- (g) the representations, undertakings and warranties given by the Vendors as set out in the Agreement remaining true and accurate in any material respect and not misleading;
- (h) the Vendors having performed all of the covenants and agreements required to be performed or caused to be performed before Completion by them under the Agreement;
- (i) (where necessary) the approval of the Agreement and all the transactions contemplated thereunder having been obtained from the Shareholders by way of either (1) the passing of resolution(s) in general meeting (with such Shareholders abstaining from voting as required by the Listing Rules); or (2) if allowed under the Listing Rules, a written approval of the Shareholders acceptable to the Stock Exchange; and
- (j) the Purchaser has received a legal opinion issued by a firm of qualified lawyers to advise on Myanmar laws covering such matters in relation to, among others, the Target Company and in such form as the Purchaser may require.

(collectively, the “**Conditions**”)

The Purchaser may, in its absolute discretion, waive all or any of the Conditions (other than the Conditions specified in paragraphs (c), (d), (e), (i) and (j) above) at any time by notice in writing to the Vendors. The Conditions specified in paragraphs (c), (d), (e),

(i) and (j) above cannot be waived in any circumstances. The Vendors shall use their best endeavours to procure the fulfillment of all the Conditions (other than the Conditions specified in paragraphs (a), (i) and (j) above) on or before 30 June 2017 (or such other date as may be agreed by the Vendors and the Purchaser in writing) (the “**Long Stop Date**”) unless waived by the Purchaser in accordance with the Agreement. The Purchaser shall use its best endeavours to procure the fulfillment of the Conditions specified in paragraphs (i) and (j) above on or before the Long Stop Date.

If any of the Conditions has not been satisfied (or waived, as the case may be) on the Long Stop Date, (i) the Vendors and the Purchaser shall not be bound to proceed with the Acquisition, (ii) the Vendors shall refund the Deposit to the Purchaser (without any deduction or reduction and without interest) with 30 days from the termination, and (iii) the Agreement shall automatically terminate and cease to be of any effect except the aforesaid obligation of the Vendors to refund the Deposit and some of the clauses which shall remain in full force and effect and neither party shall have any obligations thereunder save for any antecedent breach of the Agreement.

(G) Completion

Completion shall take place on the fifth Business Day after the Conditions have been fulfilled (or waived, as the case may be) or such other date as the Vendors and the Purchaser may agree in writing.

The Vendors shall within 60 Business Days (or such other date as the Vendors and the Purchaser may mutually agree) from the date of the Agreement procure (i) the change of the authorised representative of the Target Company to a person nominated by the Purchaser and complete all the relevant registration procedures necessary to complete such change, (ii) the delivery of all certificates, permits and licences and seals of the Target Company to the Purchaser, and (iii) in the manner as the Purchaser may require, the transfer of the management of the Target Company to the team assigned by the Purchaser.

Upon Completion, the Target Company will become an indirect subsidiary of the Company. The financial results, assets and liabilities of the Target Company will be consolidated in the financial statements of the Group.

(H) Termination

The Agreement shall terminate: (i) at any time as agreed in writing by the parties, (ii) immediately upon the occurrence of force majeure event which prohibits the parties to complete the Acquisition, (iii) immediately by written notice from a party if the other commits a material breach of the terms of the Agreement or, if such breach is capable of being remedied, the same is not remedied upon the expiry of a 20 days written notice specifying the actions required to remedy such breach from the non-defaulting party to the other (for the purposes of this sub-paragraph (iii), both Vendors are considered to be a single party), or (iv) in other manners as provided under the terms of the Agreement.

The termination of the Agreement shall not prejudice or affect any rights or liabilities of any party to the Agreement arising under the Agreement prior to its termination. Within 30 days from the date on which the Agreement terminates, the Vendors shall refund the Deposit to the Purchaser (without any deduction or reduction and without interest).

INFORMATION ABOUT THE GROUP AND THE PURCHASER

The Group is principally engaged in mining, ore processing and the sale of lead-silver concentrates and zinc-silver concentrates.

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a limited company established in Myanmar and mainly engaged in mining business.

Mining Licence

The Target Company is the legal and beneficial holder of the Mining Licence granted by the Ministry of Mines of the Union of Myanmar and has the Mining Rights to conduct mining and exploitation of the minerals for a term from 12 April 2014 to 11 April 2017 in the area of approximately 49.5 acres for a copper-lead mine situated at Biduoya Mining area, Bodaoshan Village, Jiaose Country, Mandalay State, Myanmar. The Target Company is now processing the renewal of the Mining Licence and estimates that the Mining Licence can be renewed within two months. The Company's legal advisers as to Myanmar law has advised that the Mining Rights under the Mining Licence can be normally renewed and prolonged upon the expiry date, and the work can be normally done accordingly during the prolonged days.

According to the 緬甸皎色霸多耶採礦權銅鉛地區詳查報告 (unofficially translated as "Myanmar Jiaose Biduoya Mining Permit of Copper and Lead Mine Geological Survey Report") dated December 2016 prepared by 宜賓智高礦產技術服務有限責任公司 (unofficially translated as "Yibin Zhigao Mining Industry Technical Service Company Limited"), the Myanmar Mine's estimated resources of copper and lead classified as 331, 332 and 333 amount to 1,525,900 tonnes. The permitted mining area of the Myanmar Mine is approximately 49.5 acres.

Financial information of the Target Company

The Target Company has not generated any revenue or profits since its incorporation up to the date of this announcement.

According to unaudited financial information of the Target Company provided by the Vendors prepared in accordance with the generally accepted accounting practices in the PRC, the total book value of the total assets of the Target Company as at 31 December 2016 is approximately RMB57,200.

REASONS AND BENEFITS FOR THE ACQUISITION

The Acquisition reflects the Company's strategy of investment in non ferrous resources. The Company considers Myanmar is one of the most important emerging markets outside the PRC for investment. The Acquisition is in line with the Group's business strategies and allows the Group to expand its copper reserves and resources and further increase its existing lead reserves and resources.

The Board is of the view that the terms of the Agreement are fair and reasonable, and the Agreement and the transactions contemplated thereunder (including the Acquisition) have been entered into after arm's length negotiation and determined on normal commercial terms that are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

PROFIT FORECAST

The valuation report issued by Peak Vision Appraisals Limited on the market value of entire share capital in the Target Company is prepared by a discounted cash flow method under the income approach, as such the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. The following information is disclosed for the purpose of compliance with Rules 14.60A and 14.62 of the Listing Rules.

Furthermore, the valuation contained in the valuation report has been prepared on the following valuation assumptions:

- The Mining Licence will be renewed without significant cost;
- There will be no material changes in the production plan of the Myanmar Mine;
- The availability of finance will not be a constraint on the development of the Myanmar Mine in accordance with the business plans and the projections;
- Key management, competent personnel and technical staff will all be retained to support the ongoing operations of the Myanmar Mine;
- All relevant approvals, business certificates, mining licenses or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the locality of the Myanmar Mine will be obtained and renewable upon expiry; and
- The Myanmar Mine can be freely disposed of and transferred, free of all encumbrances for its existing or approved uses in the market to both local and overseas purchasers.

This valuation adopted the weighted average cost of capital plus additional premium to determine the discount rate for the Myanmar Mine. The discount rate used was 24.62% for the valuation of the Target Company.

The Board has confirmed that they have made the forecast after due and careful enquiry, and the reporting accountants of the Company, LAY, have reviewed and reported the accounting policies and the calculations of the discounted cash flows on which the valuation is based. As this valuation relates to discounted cash flows, no accounting policies of the Company have been adopted.

A letter from each of the Board and LAY has been submitted to the Stock Exchange, and is included in Appendix I and II respectively to this announcement pursuant to Rule 14.67A of the Listing Rules.

Experts and Consents

The following are the qualifications of the experts who have given their opinion in this announcement:

Name	Qualification
Peak Vision Appraisals Limited	Independent professional valuer
LAY	Certified Public Accountants

As at the date of this announcement, neither Peak Vision Appraisals Limited nor LAY has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for the securities in any member of the Group.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of Peak Vision Appraisals Limited and LAY is an Independent Third Party.

Each of Peak Vision Appraisals Limited and LAY has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report or letter and all references to its name in the form and context in which it respectively appears in this announcement.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Interests by the Purchaser from the Vendors
“Agreement”	the sale and purchase agreement dated 27 April 2017 entered into between the Vendors as vendors and the Purchaser as purchaser in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays and public holidays in Myanmar or Hong Kong) on which licensed banks are open in Myanmar and Hong Kong for general banking business
“Company”	China Polymetallic Mining Limited (中國多金屬礦業有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2133)
“Completion”	completion of the Acquisition pursuant to the terms of the Agreement

“Consideration”	RMB56,000,000, being the total consideration to be paid by the Purchaser to the Vendors for the Acquisition under the Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“LAY”	Lau & Au Yeung C.P.A. Limited, the reporting accountants of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Change”	in the sole and absolute opinion of the Purchaser, any condition, circumstance, change or effect that has a material adverse change (or effect) on: (1) the historical and future business, operations, assets, prospects or condition (financial or otherwise) of any member of the Target Company; (2) the ability of the Vendors to perform their obligations under the Agreement and the Conditions; (3) the legality, validity or enforceability of the Agreement and the Conditions; or (4) in general, the industries in which any member of the Target Company participates from time to time
“Mining Licence”	the large scale minerals mining permit granted by the Ministry of Mines of Myanmar for the Myanmar Mine
“Mining Rights”	the legal right to conduct mining and exploitation of the minerals in the Myanmar Mine
“Myanmar”	the Republic of the Union of Myanmar
“Myanmar Mine”	Biduoya Copper-Lead mine situated at Biduoya Mine area, Bodaoshan Village, Jiaose Country, Mandalay State, Myanmar
“PRC”	the People’s Republic of China which, for the purpose of this announcement and unless the context suggests otherwise, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Purchaser”	Hua Xing Global Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	the entire share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Seven Gold Lamp Mining Company Limited, a company incorporated in Myanmar with limited liability
“Vendors”	two individuals, namely U Zaw Min and U Saw Thomas, being Independent Third Parties, who hold as to approximately 85.71% and 14.29% of the Sale Interests respectively
“%”	per cent.

By Order of the Board
China Polymetallic Mining Limited
Miu Edward Kwok Chi
Chairman

Hong Kong, 27 April 2017

As at the date of this announcement, the Board comprises Mr. Ran Xianchuan as executive Director; Mr. Lee Kenneth Jue as non-executive Director; and Mr. Huang Guoxin, Mr. Barry Sang Quan and Mr. Miu Edward Kwok Chi as independent non-executive Directors.

APPENDIX I — LETTER FROM THE BOARD

The following is the text of a letter from the Board prepared for the purpose of incorporation in this announcement.

27 April 2017

The Stock Exchange of Hong Kong Limited
11/F., One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Sirs,

We refer to the announcement of the Company dated 27 April 2017 (the “**Announcement**”) of which this letter forms part. Unless the context otherwise requires, capitalised terms defined in the Announcement shall have the same meanings when used herein.

We, hereby confirm that, in compliance with the Listing Rules, we have reviewed the calculations for discounted cash flow forecast in the valuation report dated 27 April 2017 and issued by Peak Vision Appraisals Limited, a firm of independent professional valuers, regarding the market value of the entire share capital in of the Target Company as at 31 March 2017 (the “**Valuation Report**”). Pursuant to Rule 14.62 of the Listing Rules, the reporting accountants of the Company have examined the arithmetical accuracy of the calculation of the Valuation Report in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants.

We hereby confirm that the discounted cash flow forecast under the Valuation Report is made after due and careful enquiry.

Yours faithfully,
For and on behalf of the Board
China Polymetallic Mining Limited
RAN Xiaochuan
Executive Director

APPENDIX II — LETTER FROM LAY IN RELATION TO THE VALUATION REPORT

The following is the text of a report received from Lau & Au Yeung C.P.A. Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this announcement.

27 April 2017

The Board of Directors
China Polymetallic Mining Limited

Dear Sirs,

COMFORT LETTER ON CALCULATIONS OF THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE ENTIRE SHARE CAPITAL OF SEVEN GOLD LAMP MINING COMPANY LIMITED

We have examined the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the valuation prepared by Peak Vision Appraisals Limited dated 27 April 2017 in respect of the entire share capital of Seven Gold Lamp Mining Company Limited (“**Seven Gold Lamp**”) as at 31 March 2017 (the “**Valuation**”) is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and will be included in the announcement dated 27 April 2017 issued by China Polymetallic Mining Limited (the “**Company**”) in connection with the acquisition of 100% share capital in Seven Gold Lamp (the “**Announcement**”).

DIRECTORS’ RESPONSIBILITY FOR THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS

The directors of the Company (the “**Directors**”) are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and set out in the Announcement (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS’ RESPONSIBILITIES

It is our responsibility to draw a conclusion, based on our work on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to present our conclusion solely to you, as a body, for the purpose of the requirement under Rule 14.62(2) of the Listing Rules and for no other purpose. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation is based and our work does not constitute any valuation of Seven Gold Lamp. The Valuation does not involve the adoption of accounting policies. The Assumptions used in the preparation of the Valuation include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. We have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and thus express no opinion whatsoever thereon. Our work is more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. We also accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

BASIS OF CONCLUSION

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based which is prepared based on the Assumptions made by the Directors. Our work has been undertaken solely to assist the Directors in evaluating whether the discounted future estimated cash flows on which the Valuation is based, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in accordance with the Assumptions made by the Directors.

CONCLUSION

Based on the foregoing, nothing has come to our attention that causes us to believe that the discounted future estimated cash flows, so far as the calculations are concerned, have not been properly compiled, in all material respects, in accordance with the Assumptions.

Yours faithfully,
Lau & Au Yeung C.P.A. Limited
Certified Public Accountants
Hong Kong