

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this prospectus received from Sallmanns (Far East) Limited, an independent valuer, in connection with its valuation as at 30th April, 2000 of the property interests of the Company in the PRC.



CHARTERED SURVEYORS, PROPERTY CONSULTANTS  
LAND, BUILDING, PLANT & MACHINERY VALUERS  
FINANCIAL AND INTANGIBLE ASSET VALUERS



15th Floor, Trinity House,  
165-171 Wanchai Road  
Wanchai  
Hong Kong

20th July, 2000

The Directors

Beijing Beida Jade Bird Universal Sci-Tech Company Limited

Dear Sirs,

In accordance with your instructions to value the properties in which Beijing Beida Jade Bird Universal Sci-Tech Company Limited (the “Company”) has interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the relevant properties as at 30th April, 2000.

Our valuations of the property interests are our opinion of the open market value which we would define as intended to mean “the best price at which an interest in a property might reasonably be expected to have been completed unconditionally for cash consideration on the date of the valuation assuming:—

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;

- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Our valuations have been made on the assumption that the owner sells the properties on the open market in their existing state without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the properties.

Based on this open market approach, the property interests rented and occupied by the Company have no commercial value due mainly to the short term nature or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents or the insufficient proof of legal title to the properties.

In valuing the property interests in the PRC, we have complied with all the requirements contained in the Practice Note 8 to the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by the Stock Exchange of Hong Kong Limited.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the relevant properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. Based on our experience of valuation of similar properties in the PRC, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements have been taken.

We have not searched the title of the properties and have not scrutinised the original title documents. We have been given copies of the tenancy agreements under which the properties were rented to the Company.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupation, letting, rentals, site and floor areas and all other relevant matters.

We have inspected the exterior and, where possible, the interior of the properties included in the attached valuation certificate, in respect of which we have been provided with such information as we have required for the purpose of our valuations. However, no structural survey has been made, but in the course of our inspection we did not note any apparent

serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

No allowance has been made in our report for any expenses or taxation which may be incurred. 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.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought and received confirmation from the Company 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 have no reason to suspect that any material information has been withheld.

Our valuations are summarised below and the valuation certificate is attached.

Yours faithfully,  
for and on behalf of  
**Sallmanns (Far East) Limited**  
**Paul L. Brown**  
BSc FRICS FHKIS  
*Director*

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

SUMMARY OF VALUES

GROUP I – PROPERTY INTEREST RENTED BY THE COMPANY IN HONG KONG

Property	Open market value attributable to the Company as at 30th April, 2000 HK\$
1. Unit 02 on the 7th Floor, Asia Pacific Centre, No. 8 Wyndham Street, Central, Hong Kong	No commercial value

GROUP II – PROPERTY INTERESTS RENTED BY THE COMPANY IN THE PRC

2. Rooms 1715-1717 on the 17th Level, Block A, Corporate Square, No. 35 Financial Street, Xi Cheng District, Beijing, The PRC	No commercial value
3. Rooms 1117 and 1119, Zhongcheng Building, No. 19-1 Haidian Road, Haidian District, Beijing, The PRC	No commercial value
4. Room 16 on the 9th Level, North Office Block, New World Centre, No. 3B Chongwenmenwai Dajie, Chongwen District, Beijing, The PRC	No commercial value

		Open market value attributable to the Company as at 30th April, 2000 HK\$
Property		
5.	The whole 1st Level, R3B6 Factory, City High Technology Industrial Village, Nan Shan District, Shenzhen, The PRC	No commercial value
Grand Total		Nil

VALUATION CERTIFICATE

GROUP I – PROPERTY INTEREST RENTED BY THE COMPANY IN HONG KONG

Property	Description	Particulars of occupancy	Open market value attributable to the Company as at 30th April, 2000 HK\$
1. Unit 02 on the 7th Floor, Asia Pacific Centre, No. 8 Wyndham Street, Central, Hong Kong	<p>The property comprises an office unit on the 7th floor of a 27-storey office building completed in about 1997.</p> <p>The gross floor area of the property is 1,608 sq.ft. or thereabouts.</p> <p>The property was rented to the Company from an independent third party for a term of two years commencing from 1st June, 2000 at a monthly rental of HK\$28,944 exclusive of air-conditioning and management charges, Government Rates and other outgoings.</p>	As at the date of the prospectus, the property was occupied by the Company for office uses.	No commercial value

GROUP II – PROPERTY INTERESTS RENTED BY THE COMPANY IN THE PRC

Property	Description	Particulars of occupancy	Open market value attributable to the Company as at 30th April, 2000 HK\$
2. Rooms 1715-1717 on the 17th Level, Block A, Corporate Square, No. 35 Financial Street, Xi Cheng District, Beijing, The PRC	<p>The property comprises 3 office units on the 17th level of a 20-storey office building completed in about 1998.</p> <p>The total gross floor area of the property is 420.38 sq.m. or thereabouts.</p> <p>The property was rented to 北京永峰貴和經貿有限公司 which subsequently sub-leased to the Company. The term commenced on 17th April, 2000 to 31st December, 2002 at a monthly rental of US\$11.50 per sq.m. of the gross floor area.</p>	The property is currently occupied by the Company for office uses.	No commercial value

Notes:

1. Pursuant to the Tenancy Agreement dated 2nd December, 1999, 北京永峰貴和經貿有限公司 as the tenant rented the property from 北京明華置業有限公司, the landlord, for a period from 1st January, 2000 to 31st December, 2002.
2. Pursuant to the Tenancy Transfer Agreement dated 17th April, 2000, the Company as the sub-tenant rented the property from 北京永峰貴和經貿有限公司 for a period from 17th April, 2000 to 31st December, 2002.
3. According to the opinion of the Company’s PRC legal advisor:
  - (i) 北京明華置業有限公司 has the right to lease the property to 北京永峰貴和經貿有限公司.
  - (ii) 北京永峰貴和經貿有限公司 has the right to sub-lease the property to the Company.
  - (iii) The aforesaid arrangement of leasing and sub-leasing is legal and binding.

Property	Description	Particulars of Occupancy	Open market value attributable to the Company as at 30th April, 2000 HK\$
3. Rooms 1117 and 1119, Zhongcheng Building, No. 19-1 Haidian Road, Haidian District, Beijing, The PRC	<p>The property comprises two office units on the 11th level of a 14-storey office building completed in about 1989.</p> <p>The property has a total gross floor area of 150 sq.m. or thereabouts.</p> <p>The property was rented to 北京北大青島有限責任公司 which subsequently transferred the tenancy agreement to the Company. The term commenced on 17th April, 2000 to 30th November, 2000 at a monthly rental of RMB22,813.</p>	The property is currently occupied by the Company for office uses.	No commercial value

Notes:

1. Pursuant to the Tenancy Agreement dated 1st December, 1999 (the “Tenancy Agreement”), 北京北大青島有限責任公司 rented the property from 北京中成大廈物業開發有限公司 for a period from 1st December, 1999 to 30th November, 2000.
2. Pursuant to the Contract Transfer Agreement made between 北京北大青島有限責任公司 and the Company on 17th April, 2000 (the “Contract Transfer Agreement”), 北京北大青島有限責任公司 transferred all its rights and obligations under the Tenancy Agreement to the Company.
3. According to the Letter of Consent issued by 北京中成大廈物業開發有限公司 on 18th April, 2000, 北京中成大廈物業開發有限公司 acknowledged and consented to the transfer of the Tenancy Agreement.
4. According to the opinion of the Company’s PRC legal advisor:
  - (i) 北京中成大廈物業開發有限公司 has the right to lease the property to 北京北大青島有限責任公司.
  - (ii) 北京北大青島有限責任公司 has the right to transfer the Tenancy Agreement to the Company.
  - (iii) The Tenancy Agreement and the Contract Transfer Agreement are legal and binding.



Property	Description	Particulars of occupancy	Open market value attributable to the Company as at 30th April, 2000 HK\$
4. Room 16 on the 9th Level, North Office Block, New World Centre, No. 3B Chongwenmenwai Dajie, Chongwen District, Beijing, The PRC	<p>The property comprises an office accommodation on the 9th level of a 16-storey office building completed in about 1996.</p> <p>The property has a total gross floor area of 288.92 sq.m or thereabouts.</p> <p>The property was rented to Beijing Beida Jade Bird Software System Co. which subsequently sub-leased to the Company. The term commenced on 17th April, 2000 to 24th November, 2002 at a monthly rental of US\$11.0 per sq.m.</p>	The property is currently occupied by the Company for office uses.	No commercial value

Notes:

1. Pursuant to the Tenancy Agreement dated 22nd November, 1999, Beijing Beida Jade Bird Software System Co. as the tenant rented the property from 北京崇文•新世界房地產發展有限公司 and 中國新世界電子有限公司, the landlord, for a period from 25th November, 1999 to 24th November, 2002.
2. Pursuant to the Tenancy Transfer Agreement dated 17th April, 2000, the Company as the sub-tenant rented the property from Beijing Beida Jade Bird Software System Co. for a period from 17th April, 2000 to 24th November, 2002.
3. According to the opinion of the Company’s PRC legal advisors:
  - (i) 北京新世界電子有限公司 and 北京崇文•新世界房地產發展有限公司 have the right to lease the property to Beijing Beida Jade Bird Software System Co..
  - (ii) Beijing Beida Jade Bird Software System Co. has the right to sub-lease the property to the Company.
  - (iii) The aforesaid arrangement of leasing and sub-leasing is legal and binding.

			Open market value attributable to the Company as at 30th April, 2000 HK\$
Property	Description	Particulars of occupancy	
5. The whole 1st Level, R3B6 Factory, City High Technology Industrial Village, Nan Shan District, Shenzhen, The PRC	<p>The property comprises the whole 1st level of a 7 storey industrial building completed in about 1997.</p> <p>The property has a gross floor area of 546.76 sq.m. or thereabouts.</p> <p>The property was rented to Shenzhen Beida Jade Bird Sci-Tech Company Limited which subsequently transferred the tenancy agreement to the Company. The term commenced on 17th April, 2000 to 15th August, 2001 at a monthly rental of RMB16,403.</p>	The property is currently occupied by the Company for research, development and manufacturing purposes.	No commercial value

Notes:

1. Pursuant to the Tenancy Agreement dated 17th August, 1999 (the “Tenancy Agreement”), Shenzhen Beida Jade Bird Sci-Tech Company Limited rented the property from 深圳市高新技術工業村發展公司 for a period from 16th August, 1999 to 15th August, 2001.
2. Pursuant to the Contract Transfer Agreement made between Shenzhen Beida Jade Bird Sci-Tech Company Limited and the Company on 17th April, 2000 (the “Contract Transfer Agreement”), Shenzhen Beida Jade Bird Sci-Tech Company Limited transferred all its rights and obligations under the Tenancy Agreement to the Company.
3. According to the Letter of Consent issued by 深圳市高新技術工業村發展公司 on 20th April, 2000, 深圳市高新技術工業村發展公司 acknowledged and consented to the transfer of the Tenancy Agreement.
4. According to the opinion of the Company’s PRC legal advisor:
  - (i) 深圳市高新技術工業村發展公司 has the right to lease the property to Shenzhen Beida Jade Bird Sci-Tech Company Limited.
  - (ii) Shenzhen Beida Jade Bird Sci-Tech Company Limited has the right to transfer the Tenancy Agreement to the Company.
  - (iii) The Tenancy Agreement and the Contract Transfer Agreement are legal and binding.