

The following is the text of a letter, summary of valuation and a valuation certificate, prepared for the purpose of incorporation in the prospectus dated 24 October 2003 issued to the Company, received from Vigers Hong Kong Ltd., an independent property valuer, in connection with its valuation of the property interests of the Company in the PRC as at 31 August 2003.

Vigers Hong Kong Ltd.
International Property Consultants

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



24 October 2003

The Directors
Xi'an Haitian Antenna Technologies Co., Ltd.
No. 36 Gao Xin Liu Road
Xi'an National Hi-tech Industrial Development Zone
Xi'an
Shaanxi Province
The PRC

Dear Sirs,

In accordance with your instructions for us to value the property interests of Xi'an Haitian Antenna Technologies Co., Ltd. (the "Company") in the People's Republic of China ("the PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the open market values of such property interests as at 31 August 2003 ("date of valuation").

Our valuation is our opinion of the open market value which we would define as intended to mean – "the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of 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."

In valuing the property interest in Group I which is owned and occupied by the Company in the PRC, we have adopted a combination of the market and depreciated replacement cost approaches in assessing the land portions 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 portions, reference has been made to the standard land price in Shaanxi Province and the sales comparables in the locality. As the nature of the buildings and structures cannot be valued on the basis of open market value, they have therefore been valued on the basis of their depreciated replacement costs. The depreciated replacement cost approach considers the cost to reproduce or replace in new condition the property appraised in accordance with current construction costs for similar property in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. 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 property interests in Group II which are rented and occupied by the Company have no commercial value due to their short-term nature or the prohibition against assignment, sub-letting or otherwise due to lack of substantial profit rent.

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 affect the value of the property interests.

We have been provided with copies of title documents relating to such property interests. We have not, however, searched the original documents to verify ownership or to verify existence of any amendment which does not appear on the copies handed to us. All documents and leases have been used for reference only. All dimensions, measurements and areas are approximations.

In undertaking our valuation of the property in the PRC, we have relied on the legal opinion provided by the Company's PRC legal adviser ("the PRC Legal Opinion").

From the PRC Legal Opinion, we understand the current status of titles, grant of major approvals, licences and documents of the property in Group I are as follows:

	The Property in Group I
(a) State-owned Land Use Rights Grant Contract	Yes
(b) State-owned Land Use Rights Certificate	Yes
(c) Building Ownership Certificate	Yes

Note: There is a building with a gross floor area of approximately 1,400 sq.m. which is without Building Ownership Certificate (for details, please refer to Note Nos. 6c and 7 of the valuation certificate for Property No. 1).

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 property interests are free from defect.

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 those property interests in which the Company has a valid interest.

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 outgoings of an onerous nature which could affect their values.

Unless otherwise stated, all monetary amounts stated are in Renminbi. The exchange rate used in valuing the property interests in the PRC on 31 August 2003 was HK\$1 = RMB1.06. There has been no significant fluctuation in the exchange rate between that date and the date of this letter.

In valuing the property interests, we have complied with all the requirements contained in Chapter 8 of the Rules Governing the listing of securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Our valuations have also been prepared in accordance with the Hong Kong Guidance Notes on Valuation of Property Assets (2nd Edition) published by the Hong Kong Institute of Surveyors in March 2003.

We enclose herewith a summary of our valuation and the valuation certificate.

Yours faithfully,
For and on behalf of
VIGERS HONG KONG LTD.
Raymond Ho Kai Kwong,
Registered Professional Surveyor
MRICS, MHKIS
Executive Director
Head of Valuation Department

Note: Raymond K. K. Ho, Chartered Surveyor, MRICS, MHKIS has over seventeen years' experience in undertaking valuation of properties in Hong Kong and Macau and has over ten years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUATION

Property	Open market value in existing state as at 31 August 2003
Group I – Property interest owned and occupied by the Company in the PRC	
1. An industrial complex located at No. 36 Gao Xin Liu Road, Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC	RMB38,000,000 (equivalent to HK\$35,849,057)
Sub-total:	RMB38,000,000 (equivalent to HK\$35,849,057)
Group II – Property interests rented and occupied by the Company in the PRC	
2. Room 101, Unit 4, Block 12, Yi Yuan Court, Court No. 4, Cui Wei Road, Hai Dian District, Beijing, the PRC	No commercial value
3. Room 101, No. 28 Zhang Sheng Ci, Fu Zi Miao, Nanjing, Jiangsu Province, the PRC	No commercial value
4. Room 204, No. 71 Nan Ying New Village, Gulou District, Fuzhou, Fujian Province, the PRC	No commercial value
5. Level 3, Block 2, Hong Xing Residential Block, Bei Hu Street, Jiangnan District, Wuhan, Hubei Province, the PRC	No commercial value
6. 1st Floor, No. 218 (formerly known as No. 64) Tian Mu Shan Road, Hangzhou, Zhejiang Province, the PRC	No commercial value
7. No. 015B, 6th Floor, Beijing Bai Sheng Building, No. 37 Financial Street, Xicheng District, Beijing, the PRC	No commercial value
8. Room 908, 9th Floor, Xi'an Gao Xin Guo Shui Building, South End of Gao Xin Road, Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC	No commercial value

SUMMARY OF VALUATION

Property	Open market value in existing state as at 31 August 2003
9. Room 2 on 4th Floor, 5th Floor, 6th Floor and 7th Floor of Unit 3 and Room 2 on 1st Floor, 2nd Floor, 3rd Floor, 5th Floor and 7th Floor and Room 1 on 3rd Floor, 5th Floor, 6th Floor and 7th Floor of Unit 4, Tower 1 of Huang Jia Garden, No. 20 Gao Xin Road, Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC	No commercial value
10. Warehouse No. 1 situated at Si Zu Shuang Shui Mo Cun, Zhang Ba Xiang, Yanta District, Xi'an, Shaanxi Province, the PRC	No commercial value
11. Warehouse No. 2 situated at Si Zu Shuang Shui Mo Cun, Zhang Ba Xiang, Yanta District, Xi'an, Shaanxi Province, the PRC	No commercial value
12. Lao Cun Bei Street, Cha Zhang Village, Zhang Ba Gou Office, Yanta District, Xi'an, Shaanxi Province, the PRC	No commercial value
Sub-total:	No commercial value
Grand total:	RMB38,000,000 (equivalent to HK\$35,849,057)

VALUATION CERTIFICATE

Group I – Property interest owned and occupied by the Company in the PRC

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003														
1. An industrial complex located at No. 36 Gao Xin Liu Road, Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC	<p>The property comprises a parcel of industrial land with a site area of approximately 32,001.98 sq.m. and 6 buildings and structures and other ancillary facilities erected thereon.</p> <p>The buildings and structures were completed in 2001.</p> <p>The buildings of the property with Building Ownership Certificate issued have a total gross floor area of approximately 13,413.91 sq.m. which is subdivided as follow:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Building</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Plant No. 1</td> <td style="text-align: right;">9,204.64</td> </tr> <tr> <td>Plant No. 2</td> <td style="text-align: right;">3,089.73</td> </tr> <tr> <td>Test Centre</td> <td style="text-align: right;">449.21</td> </tr> <tr> <td>Power Station</td> <td style="text-align: right;">616.19</td> </tr> <tr> <td>Guard Room</td> <td style="text-align: right;">54.14</td> </tr> <tr> <td style="border-top: 1px solid black;">Total:</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">13,413.91</td> </tr> </tbody> </table> <p>Plant No. 4 (also known as Building No. 2) which does not have Building Ownership Certificate, has a gross floor area of approximately 1,400 s.q.m. (Please refer to Notes Nos. 6c and 7 below)</p> <p>The land use rights term of the property will expire on 4 August 2050.</p>	Building	Gross Floor Area (sq.m.)	Plant No. 1	9,204.64	Plant No. 2	3,089.73	Test Centre	449.21	Power Station	616.19	Guard Room	54.14	Total:	13,413.91	The property is occupied by the Company for industrial and ancillary purposes.	RMB38,000,000 (equivalent to HK\$35,849,057)
Building	Gross Floor Area (sq.m.)																
Plant No. 1	9,204.64																
Plant No. 2	3,089.73																
Test Centre	449.21																
Power Station	616.19																
Guard Room	54.14																
Total:	13,413.91																

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 4 August 2000 entered into between The Administrative Committee of Xi'an National Hi-tech Industrial Development Zone (Party A) and Xi'an Haitian Communications Equipment Company Limited (Party B), Party B agreed to purchase the subject site at a consideration of RMB12,431,500.
- According to an approval issued by the People's Government of the Shaanxi Province dated 29 September 2000 and a document issued by the Economic System Reform Commission Office of the Shaanxi Province dated 30 September 2000, the Company was established as a result of transformation of Party B in accordance with the relevant PRC law.
- Pursuant to a State-owned Land Use Rights Certificate (Document No.: Xi Gao Ke Ji Guo Yong (2001) Zi No. 37746), the land use rights of the property having a site area of approximately 32,001.98 sq.m. and an expiry date of 4 August 2050 for industrial use has been granted to the Company.

4. According to a Building Ownership Certificate (Document No.: Gao Xin Qu Zi No. 105010407-20-1) dated 17 July 2002, the building ownership of 5 buildings of the property with a total gross floor area of approximately 13,413.91 sq. m. is vested in the Company.

5. Pursuant to the PRC Legal Opinion, we understand that the current status of titles, grant of major approvals, licences and documents of the property are as follows:

(a)	State-owned Land Use Rights Grant Contract	Yes
(b)	State-owned Land Use Rights Certificate	Yes
(c)	Building Ownership Certificate	Yes

6. The PRC Legal Opinion states that:

As Party B was transformed to the Company in accordance with the relevant PRC laws, the Company legally entitles to the benefits and is subject to the obligations under the Stated-owned Land Use Rights Grant Contract.

(a) The Company is the lawful sole owner of the land use rights and the buildings, namely Plant Nos. 1 and 2, a power station, a guard room and a test centre located at No. 36 Gao Xin Liu Road, Xi'an National Hi-tech Industrial Development Zone. The Company is entitled to occupy, use, transfer, lease or charge the land and these buildings. In addition, the Company is required to pay no land or additional premium on the land related to these buildings for such occupation, use, transfer, lease or charge.

(b) The property is subject to a mortgage of RMB30 million in favour of Agricultural Bank of China, Xi'an National Hi-tech Industrial Development Zone Branch for a term from 29 March 2002 to 28 March 2006. In addition, the property is subject to another mortgage to secure a facility amount to the maximum of RMB40 million in favour of China Everbright Bank, Xi'an National Hi-tech Industrial Development Zone Branch for a term from 28 April 2003 to 28 April 2006. If the Company fails to repay the loans, the banks may enforce their rights under the relevant security agreements. As a result, the Company may have to relocate its production facilities. Both banks have irrevocably undertaken to grant a rollover or renewal of the Company's bank loans of RMB60 million in aggregate in the three consecutive years and on the same terms of borrowings when they become due.

(c) According to a document issued by Real Estate Administration Bureau of Xi'an National Hi-tech Industrial Development Zone on 15 July 2002 entitled "An Explanation of the Consent Granted to Xi'an Haitian Antenna Technologies Co., Ltd. to apply for Building Ownership Certificate in respect of Building No. 2", the Company was granted an approval from Planning and Environmental Protection Bureau of Xi'an National Hi-tech Industrial Development Zone on 18 December 2000 with respect to an overall planning of its new factory complex ("Old Planning"). In October 2001, the Company made a new planning of its new factory complex, and obtained an approval from Planning and Environmental Protection Bureau of Xi'an National Hi-tech Industrial Development Zone on 21 January 2002. The Real Estate Administration Bureau was of the opinion that the Company shall apply for the building ownership certificate of its completed building (i.e. Building No. 2) under the Old Planning in conjunction with those under the new planning to be completed thereafter. Although the Company has not been granted the relevant Building Ownership Certificate, in effect, the Company is entitled to occupy, use, transfer, lease or charge Building No. 2.

7. Even though the Building Ownership Certificate of Building No. 2 has not yet been obtained, we have included the value of the building, which was RMB2,000,000 as at 31 August 2003 in our valuation, on the grounds that the PRC Legal Opinion states that the Company is, in effect, entitled to occupy, use, transfer, lease or charge Building No. 2.

8. We have relied on the PRC Legal Opinion and prepared our valuation on the following assumptions:

(a) The Company is entitled to transfer the property with the residual term of its land use rights at no extra land premium or other onerous payment payable to the government.

(b) All consent, approval and licence from relevant government authorities for development of the property are/will be granted without any onerous conditions or undue delay. The development of the property is/will be in compliance with the relevant planning regulations.

Group II – Property interests rented and occupied by the Company in the PRC

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
2. Room 101, Unit 4, Block 12, Yi Yuan Court, Court No. 4, Cui Wei Road, Haidian District, Beijing, the PRC	<p>The property comprises a unit of a 6-storey building completed in or about 1999.</p> <p>The property has a gross floor area of approximately 140.12 sq.m..</p>	<p>The property is leased from a connected party to the Company for a term from 1 January 2003 to 31 December 2004 at a monthly rent of RMB5,000 exclusive of management fees as well as water and electricity charges.</p> <p>The property is occupied by the Company for domestic purpose.</p>	No commercial value

Notes:

1. The connected party is Xiao Lei who is the daughter of Professor Xiao.
2. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 北京市海澱區國土資源和房屋管理局 (Land Resources and Real Estate Administration Bureau of Haidian District, Beijing).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 10 January 2003 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
3. Room 101, No. 28 Zhang Sheng Ci, Fu Zi Miao, Nanjing, Jiangsu Province, the PRC	The property comprises a unit of a 6-storey building completed in the 1990's. The property has a gross floor area of approximately 71 sq.m..	The property is leased from an independent third party to the Company for a term from 3 June 2003 to 2 June 2004 at a monthly rent of RMB1,400. The property is occupied by the Company for domestic purpose.	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Tenancy Registration Certificate has been issued by 南京市房地產市建管理處 (Nanjing City Real Estate and City Construction Administration Department).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 7 May 2003 is legal, effective and legally binding.
 - (e) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
4. Room 204, No. 71 Nan Ying New Village, Gulou District, Fuzhou, Fujian Province, the PRC	The property comprises a unit of a 7-storey building completed in or about 1995. The property has a gross floor area of approximately 70 sq.m..	The property is leased from an independent third party to the Company for a term from 15 July 2002 to 14 July 2004 at a monthly rent of RMB1,500 exclusive of telephone, water, electricity and gas charges, management fees, etc.. The property is occupied by the Company for domestic purpose.	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 福州市鼓樓區房地產交易所 (Fuzhou City Gulou District Real Estate Exchange Bureau).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 19 July 2002 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
5. Level 3, Block 2, Hong Xing Residential Block, Bei Hu Street, Jiangnan District, Wuhan, Hubei Province, the PRC	The property comprises Level 3 of a 8-storey building completed in or about 1995. The property has a gross floor area of approximately 74.66 sq. m..	The property is leased from an independent third party to the Company for a term from 8 March 2003 to 8 March 2004 at an annual rent of RMB13,200. The property is occupied by the Company for domestic purpose.	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The effectiveness of the lease is demonstrated by the landlord holding the Building Ownership Certificate of the property and 武漢市江漢區房地產管理局 (Wuhan City Jiangnan District Real Estate Administration Bureau) has endorsed on the tenancy agreement.
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 8 March 2003 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
6. 1st Floor, No. 218 (formerly known as No. 64) Tian Mu Shan Road, Hangzhou, Zhejiang Province, the PRC	The property comprises the 1st floor of a 6-storey building completed in the 1990s. The property has a gross floor area of approximately 120 sq.m..	The property is leased from an independent third party to the Company for a term from 5 December 2002 to 4 December 2003 at an annual rent of RMB17,000 exclusive of water and electricity charges. The property is occupied by the Company as warehouse.	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 杭州市西湖區房地產管理局 (Hangzhou City Xihu District Real Estate Administration Bureau).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 5 December 2002 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
7. No. 015B, 6th Floor, Beijing Bai Sheng Building, No. 37 Financial Street, Xicheng District, Beijing, the PRC	The property comprises a unit of a 10-storey building completed in or about 1998. The property has a gross floor area of approximately 92 sq.m..	The property is leased from an independent third party to the Company for a term from 10 February 2003 to 9 February 2004 at a monthly rent of RMB12,592.5 inclusive of management fees. The property is occupied by the Company as office.	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:–
 - (a) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (b) The tenancy agreement dated 14 January 2003 is legal, effective and legally binding.
 - (c) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
8. Room 908, 9th Floor, Xi'an Gao Xin Guo Shui Building, South End of Gao Xin Road, Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC	The property comprises a unit of a 12-storey building completed in the 1990's. The property has a gross floor area of approximately 25 sq.m..	The property is leased from an independent third party to the Company for a term from 1 September 2002 to 31 August 2003 at a monthly rent of RMB1,375 exclusive of water, electricity, air-conditioning charges and management fees. The property is occupied by the Company as office.	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 西安市房地產交易管理中心 (Xi'an City Real Estate and Exchange Administration Centre).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 1 September 2002 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
9. Room 2 on 4th Floor, 5th Floor, 6th Floor and 7th Floor of Unit 3 and Room 2 on 1st Floor, 2nd Floor, 3rd Floor, 5th Floor and 7th Floor and Room 1 on 3rd Floor, 5th Floor, 6th Floor and 7th Floor of Unit 4, Tower 1 of Huang Jia Garden, No. 20 Gao Xin Road, Xi'an National Hi-tech Industrial Development Zone, Xi'an, Shaanxi Province, the PRC	<p>The property comprises 13 residential units of a 7-storey building completed in the 1990s.</p> <p>The property has a total gross floor area of approximately 934.05 sq.m..</p>	<p>The property is leased from an independent third party to the Company for a term from 6 August 2003 to 5 August 2004 at a total monthly rent of RMB10,400 exclusive of management fee.</p> <p>The property is occupied by the Company for domestic purpose.</p>	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 西安市房地產交易管理中心 (Xi'an City Real Estate and Exchange Administration Centre).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 31 July 2003 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003								
10. Warehouse No. 1 situated at Si Zu, Shuang Shui Mo Cun, Zhang Ba Xiang, Yanta District, Xi'an, Shaanxi Province, the PRC	The property comprises three 1-storey buildings and a 2-storey security guard room completed in or about 2002. The property has a total gross floor area of approximately 1,300 sq.m..	The property is leased from an independent third party to the Company for a term from 1 April 2002 to 31 March 2005 at a monthly rent for each year exclusive of water and electricity charges as follows: <table border="1" data-bbox="680 576 941 746"> <thead> <tr> <th data-bbox="680 576 726 597">Year</th> <th data-bbox="868 576 941 655">Monthly Rental (RMB)</th> </tr> </thead> <tbody> <tr> <td data-bbox="680 661 855 683">1/4/2002-31/3/2003</td> <td data-bbox="893 661 941 683">7,800</td> </tr> <tr> <td data-bbox="680 689 855 710">1/4/2003-31/3/2004</td> <td data-bbox="893 689 941 710">9,100</td> </tr> <tr> <td data-bbox="680 717 855 738">1/4/2004-31/3/2005</td> <td data-bbox="880 717 941 738">10,400</td> </tr> </tbody> </table> The property is occupied by the Company as warehouse.	Year	Monthly Rental (RMB)	1/4/2002-31/3/2003	7,800	1/4/2003-31/3/2004	9,100	1/4/2004-31/3/2005	10,400	No commercial value
Year	Monthly Rental (RMB)										
1/4/2002-31/3/2003	7,800										
1/4/2003-31/3/2004	9,100										
1/4/2004-31/3/2005	10,400										

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 西安市房地產交易管理中心 (Xi'an City Real Estate and Exchange Administration Centre).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 6 March 2002 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003								
11. Warehouse No. 2 situated at Si Zu, Shuang Shui Mo Cun, Zhang Ba Xiang, Yanta District, Xi'an, Shaanxi Province, the PRC	The property comprises two 2-storey buildings completed in or about 2002. The property has a total gross floor area of approximately 881 sq.m..	The property is leased from an independent third party to the Company for a term from 1 June 2002 to 31 May 2005 at a monthly rent for each year, exclusive of water and electricity charges as follows: <table border="1" data-bbox="680 570 941 749"> <thead> <tr> <th data-bbox="680 570 726 591">Year</th> <th data-bbox="868 570 941 655">Monthly Rental (RMB)</th> </tr> </thead> <tbody> <tr> <td data-bbox="680 663 855 685">1/6/2002-31/5/2003</td> <td data-bbox="899 663 941 685">5,286</td> </tr> <tr> <td data-bbox="680 693 855 715">1/6/2003-31/5/2004</td> <td data-bbox="899 693 941 715">7,048</td> </tr> <tr> <td data-bbox="680 723 855 744">1/6/2004-31/5/2005</td> <td data-bbox="899 723 941 744">8,810</td> </tr> </tbody> </table> The property is occupied by the Company as warehouse.	Year	Monthly Rental (RMB)	1/6/2002-31/5/2003	5,286	1/6/2003-31/5/2004	7,048	1/6/2004-31/5/2005	8,810	No commercial value
Year	Monthly Rental (RMB)										
1/6/2002-31/5/2003	5,286										
1/6/2003-31/5/2004	7,048										
1/6/2004-31/5/2005	8,810										

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 西安市房地產交易管理中心 (Xi'an City Real Estate and Exchange Administration Centre).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 31 May 2002 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.

Property	Description and Tenure	Particulars of occupancy	Open market value in existing state as at 31 August 2003
12. Lao Cun Bei Street, Cha Zhang Village, Zhang Ba Gou Office, Yanta District, Xi'an, Shaanxi Province, the PRC	The property comprises a 3-storey building completed in or about 2002. The property has a gross floor area of approximately 825 sq.m..	The property is leased from an independent third party to the Company for a term from January 2003 to December 2005 at an annual rent of RMB30,000 exclusive of water and electricity charges. The property is occupied by the Company for domestic purpose.	No commercial value

Note:

1. We have been provided with a legal opinion on the tenancy agreement prepared by the Company's PRC legal advisor, which contains that, inter alia, the following information:
 - (a) The Permit to Lease has been issued by 西安市房地產交易管理中心 (Xi'an City Real Estate and Exchange Administration Centre).
 - (b) The landlord of the property has the right to lease the property to the Company and the Company has the legal rights and obligation under the tenancy agreement to occupy the property during the rental period.
 - (c) The tenancy agreement dated 20 December 2002 is legal, effective and legally binding.
 - (d) The rights of the parties to the tenancy agreement are protected by the PRC Laws.