

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 Vigers Hong Kong Limited, an independent valuer, in connection with their valuations as at 30th April, 2002 of the property interests of the Group in Hong Kong and the PRC.

**Vigers Hong Kong Ltd.**  
**International Property Consultants**

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Miramar Tower  
132 Nathan Road  
Tsimshatsui  
Kowloon  
Hong Kong



**VIGERS**  
威格斯

18th June, 2002

The Directors  
Harbin Brewery Group Limited  
11th Floor  
World-wide House  
No. 19 Des Voeux Road Central  
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value the property interests of Harbin Brewery Group Limited (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) located in Hong Kong and the People’s Republic of China (the “PRC”), 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 values of such property interests as at 30th April, 2002 (“the 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 a 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.”

Our valuations have been made on the assumption that the owner sells the properties in 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 affect the value of the property interests.

In valuing the properties in Group II, which are owned by the Group in the PRC, we have adopted a combination of the open 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 Heilongjiang Province and Jilin Province respectively 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 cost. 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 buildings and structures 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 I and Group III, which are rented and occupied by the Group, has no commercial value due mainly to the short term nature of the tenancy or the prohibitions against assignment or sub-letting or otherwise due to the lack of substantial and marketable profit rents.

In undertaking our valuation of the property in Group II and Group III, we have relied on the legal opinion provided by the Group's PRC legal advisers Commerce and Finance Law Offices ("the PRC Legal Opinion").

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

<b>Property</b>	<b>State-owned Land Use Rights Grant Contract</b>	<b>Stated-owned Land Use Rights Certificate</b>	<b>Building Ownership Certificate</b>	<b>Tenancy Agreement</b>
<b>Group II — Property interests held and occupied by the Group in the PRC</b>				
3	Yes	Yes	Yes	N/A
4	Yes	Yes	Yes	N/A
5	N/A	Yes	Yes	N/A
6	N/A	Yes	Yes	N/A
7	N/A	Yes	Yes	N/A
8	N/A	Yes	Yes	N/A
9	Yes	Yes	Yes	Yes
10	Yes	Yes	Yes	N/A

N/A: Not applicable

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 areas shown on the documents and official plans handed to us are correct. Based on our experience of valuation of similar properties in Hong Kong and the PRC, we consider the assumptions so made to be reasonable. All dimensions, measurements and areas are approximations.

We have been shown copies of various title and lease documents and official site plans relating to the properties in Group II and Group III which are located in the PRC. However, we have not searched the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. Due to nature of the land registration system in the PRC, we are unable to search the original documents to verify the existing title of the properties or any material encumbrances that might be attached to the properties.

For the property interests in Group I, which are located in Hong Kong, we have caused searches to be made at the Land Registry in Hong Kong and in some instances, we have been provided with extracts of title documents and copies of tenancy agreements. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us.

We have inspected the exterior and, where possible, the interior of the properties included in the attached valuation certificates. 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 charges, mortgages or amounts owing on the properties nor for any expenses 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 values.

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

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

In valuing the property interests in the PRC, we have complied with all the requirements contained in the Practice Note 12 issued by The Stock Exchange of Hong Kong Limited.

Our valuations have been prepared in accordance with the Hong Kong Guidance Notes on the Valuation of Property Assets (2nd Edition) published by the Hong Kong Institute of Surveyors in March 2000.

Unless otherwise stated, all monetary amounts stated are in Renminbi. The exchange rate used in converting the value of the properties in the PRC into Hong Kong Dollars is RMB1.06=HK\$1 and no significant fluctuation in such exchange rate has been found between the date of valuation and the date of this letter.

Our summary of values and the valuation certificates are attached.

Yours faithfully,  
For and on behalf of  
**VIGERS HONG KONG LTD.**  
**Raymond Ho Kai Kwong**  
*Registered Professional Surveyor*  
MRICS, AHKIS  
*Director*

*Note:* Raymond K.K. Ho, Chartered Surveyor, MRICS, AHKIS has extensive experience in undertaking valuations of properties in Hong Kong and Macau and has over nine years' experience in the valuation of properties in the PRC.

## SUMMARY OF VALUATION

## GROUP I — PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN HONG KONG

Property	Open market value in existing state as at 30th April, 2002 HK\$	Open market value in existing state attributable to the Group as at 30th April, 2002 HK\$
1. 11th Floor, World-wide House, No. 19 Des Voeux Road Central, Central, Hong Kong	No commercial value	No commercial value
2. Apartment C on 34th Floor of Tower 1, Park Towers, No. 1 King's Road, North Point, Hong Kong	No commercial value	No commercial value
	_____	_____
<i>Sub-total:</i>	_____ Nil	_____ Nil

## GROUP II — PROPERTY INTERESTS HELD AND OCCUPIED BY THE GROUP IN THE PRC

Property	Open market value in existing state as at 30th April, 2002 <i>RMB</i>	Interest attributable to the Group	Open market value attributable to the Group as at 30th April, 2002 <i>RMB</i>
3. A brewery complex of Harbin Brewing Company Limited located in No. 20 You Fang Street, Xiang Fang District, Harbin City, Heilongjiang Province, The PRC	90,000,000	100%	90,000,000
4. A brewery complex of Harbin Brewing (Songjiang) Company Limited located in No. 2 Tong Xiang Street, Dongli District, Songjiang Town, Harbin City, Heilongjiang Province, The PRC	36,000,000	70%	25,200,000
5. A brewery complex of Harbin Brewing (Hegang) Company Limited located in No. 1 Pi Jiu Chang Street (formerly known as San Dao Street and Si Dao Street), Gong Nong District, Hegang City, Heilongjiang Province, The PRC	No commercial value	95%	No commercial value
6. A brewery complex of Harbin Brewing Company Limited (Hailun) located in Yi Wei and San Wei, Tie Lu Street, Hailun City, Heilongjiang Province, The PRC	No commercial value	100%	No commercial value

Property	Open market value in existing state as at 30th April, 2002 <i>RMB</i>	Interest attributable to the Group	Open market value attributable to the Group as at 30th April, 2002 <i>RMB</i>
7. A brewery complex of Jilin Harbin Brewing Company Limited located in Cha Lu He Town, Yongji County, Jilin Province, The PRC	No commercial value	70%	No commercial value
8. A brewery complex of Jiamusi Yuehai Jiafang Brewery Co., Ltd. located in No. 94 You Yi Road, Jiamusi City, Heilongjiang Province, The PRC	60,000,000	60%	36,000,000
9. A brewery complex of Mudanjiang Jing Po Brewery Co., Ltd. located in No. 77 Dong Xin Rong Street, Aimin District, Mudanjiang City, Heilongjiang Province, The PRC	17,500,000	55%	9,625,000
10. A brewery complex of Jilin GD-Yinpu Beer Co., Ltd. located in No. 125 Tong Yang Road, Shuangyang District, Changchun City, Jilin Province, The PRC	80,000,000	55%	44,000,000
<i>Sub-total:</i>	<hr/> 283,500,000 <hr/>		<hr/> 204,825,000 <hr/>

## GROUP III — PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

Property	Open market value in existing state as at 30th April, 2002 <i>RMB</i>	Open market value in existing state attributable to the Group as at 30th April, 2002 <i>RMB</i>
11. One unit on Level 3 and a carparking space on Level 1 No. 6, Zone 3 of Kai Fa Xiao Qu, Ranghu Road District, Daqing City, Heilongjiang Province, The PRC	No commercial value	No commercial value
12. One unit and a carparking space on Level 1 Building No. 1 of Dong Xing Xiao Qu, Dongan District, Mudanjiang City, Heilongjiang Province, The PRC	No commercial value	No commercial value
13. One unit on Level 1 Building No. 1 of Linji Xiao Qu, Dongan District, Mudanjiang City, Heilongjiang Province, The PRC	No commercial value	No commercial value
14. All units on Levels 1-4 No. 8 Hui Wen Road, Nanguan District, Changchun City, Jilin Province, The PRC	No commercial value	No commercial value
15. One unit and a carparking space on Level 1 No. 98 Shun Cheng Shi Street, Chuanying District, Jilin City, Jilin Province, The PRC	No commercial value	No commercial value



Property	Open market value in existing state as at 30th April, 2002 <i>RMB</i>	Open market value in existing state attributable to the Group as at 30th April, 2002 <i>RMB</i>
16. One unit on Level 1 No. 2 Jin Hai Le Yuan, Xigang District, Dalian City, Liaoning Province, The PRC	No commercial value	No commercial value
17. One unit on Level 1 You Hao Xiao Qu, No. 138 Hui Gong Street, Shenhe District, Shenyang City, Liaoning Province, The PRC	No commercial value	No commercial value
18. One unit on Level 1 You Hao Xiao Qu, No. 136 Hui Gong Street, Shenhe District, Shenyang City, Liaoning Province, The PRC	No commercial value	No commercial value
19. Unit 3 on Level 15 of Hui Xin Building, No. 149 Hui Gong Street, Shenhe District, Shenyang City, Liaoning Province, The PRC	No commercial value	No commercial value
20. Two units on Levels 1 and 2 beside Lin Xiang Li Ju Wei Hui, Qi Wei Road, Hedong District, Tianjin City, The PRC	No commercial value	No commercial value

Property	Open market value in existing state as at 30th April, 2002 RMB	Open market value in existing state attributable to the Group as at 30th April, 2002 RMB
21. Two units on Levels 1 and 2 No. 7 Dai Jia Lane, Yi Jiang Men, Gulou District, Nanjing City, Jiangsu Province, The PRC	No commercial value	No commercial value
22. One unit on Level 1 No. 70 Yong Wai Yang Qiao, Fengtai District, Beijing City, The PRC	No commercial value	No commercial value
23. One unit on Level 1 No. A3, Nan Chang Po Cun, Dai Bei Yao, Chaoyang District, Beijing City, The PRC	No commercial value	No commercial value
24. One unit on Level 1 Building No. 15, Zone 2 of Liang Fu Xiao Qu, Tianqiao District, Jinan City, Shandong Province, The PRC	No commercial value	No commercial value
<i>Sub-total:</i>	Nil	Nil
<b>Grand-total:</b>	RMB283,500,000 (equivalent to <u>HK\$267,452,000</u> )	RMB204,825,000 (equivalent to <u>HK\$193,231,000</u> )

## VALUATION CERTIFICATE

## GROUP I - PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN HONG KONG

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 HK\$
1. 11th Floor, World-wide House, No. 19 Des Voeux Road Central, Central, Hong Kong	The property comprises an office unit on the 11th floor of a 27-storey commercial building completed in or about 1980.  The total area of the property is approximately 6,000 sq.ft..	The property is leased to the Company by Sunny Trading & Marketing Limited, an independent third party, for a term of one year commencing from 1st June, 2001 with an option to renew for another year at a monthly rental of HK\$250,000 inclusive of building management fees, government rates, utilities, telephone operators and furniture fittings. The rent free period is from 1st June, 2001 to 31st July, 2001.  The Company has exercised the option to lease the property for another year commencing from 1st June, 2002 to 31st May, 2003.  The property is at present occupied by the Group for office use.	No commercial value

*Notes:*

1. According to the record in the Land Registry, the registered owner of the property is Chyau Fwu Investment Limited ("Chyau").
2. The property is subject to a Legal Charge and a Second Mortgage in favour of Bank of China (Hong Kong) Limited (formerly known as Po Sang Bank Limited and the successor to the Hong Kong branch of The Kwangtung Provincial Bank by virtue of the Bank of China (Hong Kong) Limited (Merger) Ordinance, Cap. 1167, Laws of Hong Kong) ("the Mortgagee") vide Memorial Nos.4920335 and 6238315 dated 9th July, 1991 and 2nd March, 1995 respectively.
3. We were informed by the Directors of the Company that the property is leased to the Company by Sunny Trading & Marketing Limited ("Sunny"). By a Memorandum dated 1st June, 2001 signed by Sunny and the Company, Sunny granted to the Company a tenancy in respect of the property for one year from 1st June, 2001 with an option to renew for another year.

4. We were informed by the Directors of the Company that the Company has exercised the option to rent the property for one year commencing from 1st June, 2002 to 31st May, 2003 at the same rent by a Memorandum dated 24th April, 2002 signed by Sunny and the Company. The Company is entitled to terminate the tenancy on 31st August, 2002, 30th November, 2002 or 28th February, 2003 subject to one month's written notice. (The sub-tenancy created under Memorandum dated 1st June, 2001 and the sub-tenancy created under Memorandum dated 24th April, 2002 are collectively referred to as "the Sub-Tenancy").
5. We were further informed by the Directors of the Company that the Tenancy Agreement between Chyau and Sunny is not available for perusal and no consent has been obtained from the Mortgagee for leasing of the property by Chyau to Sunny. No consent has been obtained from Chyau and the Mortgagee for the granting of the Sub-Tenancy.
6. The Directors of the Company believe that the invalidity and unenforceability of the Sub-Tenancy will not have significant impact on the business of the Company as the property is used as an office which can be relocated at a relative low costs.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 HK\$
2. Apartment C on 34th Floor of Tower 1, Park Towers, No. 1 King's Road, North Point, Hong Kong	The property comprises a residential unit on the 34th floor of a 40-storey residential building erected on a 10-storey car parking podium completed in or about 1989.  The saleable area of the property is approximately 1,033 sq.ft..	The property is leased to the Company by Wong Wai Gin Lydia, an independent third party, under a Tenancy Agreement dated 20th October, 2001 for a term of 2 years commencing from 1st November, 2001 to 31st October, 2003 with a right to terminate by giving 2 months' prior written notice or 2 months' rent in lieu after the first 14 months of the term at a monthly rental of HK\$36,000 inclusive of government rent, rates and management fees.  The property is at present used by the Group as Director's quarters.	No commercial value

*Note:* According to the record in the Land Registry, the registered owner of the property is Wong Wai Gin Lydia, an independent third party.

## GROUP II - PROPERTY INTERESTS HELD AND OCCUPIED BY THE GROUP IN THE PRC

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
3. A brewery complex of Harbin Brewing Company Limited located in No. 20 You Fang Street, Xiang Fang District, Harbin City, Heilongjiang Province, The PRC	<p>The property comprises 3 parcels of land with a total site area of approximately 101,146.6 sq.m. and 25 items of buildings and structures erected thereon.</p> <p>The buildings and structures were completed in various stages between 1960's and 1990's. The buildings and structures of the property have a total gross floor area of approximately as follows:</p> <p>18 buildings with Building Ownership Certificates: 58,587.80 sq.m.</p> <p>7 buildings without Building Ownership Certificates: 32,345.00 sq.m.</p> <p>Total: <u>90,932.80 sq.m.</u></p> <p>The main buildings include factory buildings, office tower, boiler rooms, a garage, a cooling station, a sewage treatment station, canteen, transformer room, etc.</p> <p>Three parcels of land were granted with the land use rights for a term of 25 years commencing from 1st March, 2001, 8th March, 2001 and 8th March, 2001 respectively.</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	90,000,000 (100% attributable to the Group: 90,000,000) (See Note 7)

*Notes:*

1. According to the State-owned Land Use Rights Certificate No. 哈國用(2001)字第 21163號 dated 8th March, 2001, the land use rights of the land with a site area of approximately 39,290.4 sq.m. for a term of 25 years commencing from 8th March, 2001 to 8th March, 2026 for industrial use have been granted to Harbin Brewing Company Limited (“哈爾濱啤酒有限公司”) (“HB Company”).

According to the State-owned Land Use Rights Certificate No. 哈國用(2001)字第 21164號 dated 1st March, 2001, the land use rights of the land with a site area of approximately 3,000 sq.m. for a term of 25 years commencing from 1st March, 2001 to 1st March 2026 for warehouse purpose have been granted to HB Company.

According to the State-owned Land Use Rights Certificate No. 哈國用(2001)字第 21162號 dated 8th March, 2001, the land use rights of the land with a site area of approximately 58,856.20 sq.m. for a term of 25 years commencing from 8th March, 2001 to 8th March, 2026 for industrial use have been granted to HB Company.

2. Pursuant to three State-owned Land Use Rights Grant Contracts dated 1st March, 2001, 9th March, 2001 and 9th March, 2001 respectively entered into between Harbin City Land Administration Bureau ("Party A") and HB Company, Party A agreed to grant the land use rights of the property to HB Company for a term of 25 years commencing from 1st March, 2001, 9th March, 2001 and 9th March, 2001 respectively at a total consideration of RMB4,753,591.2.
3. According to the Building Ownership Certificates Nos. 哈房權証香字第 00001836, 第 00001837, 第 00001838, 第 00001839, 第 00001840, 第 00001841, 第 00001842, 第 00001843, 第 00001844, 第 00001845, 第 00001846, 第 00001847, 第 00001848, 第 00001849 all dated 27th February, 2001 and 哈房權証香字第 00001868, 第 00001869, 第 00001870, 第 00001871 all dated 19th March, 2001, the building ownership of the 18 buildings of the property with a total gross floor area of 58,587.80 sq.m. is vested in HB Company.
4. According to the letter dated 26th October, 2001 issued by Harbin City Real Property Transaction Centre, the Building Ownership Certificates of 7 buildings of the property, with a total gross floor area of approximately 32,345 sq.m. are currently under application. The date of application was 26th October, 2001.
5. In the course of our valuation of the property, we have excluded the value of the 7 buildings, with a total gross floor area of approximately 32,345 sq.m., for which the Building Ownership Certificates are under application. Since the transferability of legal ownership of these 7 buildings is unknown, we have ascribed no commercial value to these 7 buildings. However, for indicative purposes, the depreciated replacement cost of the 7 buildings as at 30th April, 2002 was RMB37,000,000.
6. 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 Contracts	Yes
(b) State-owned Land Use Rights Certificates	Yes
(c) Building Ownership Certificates in respect of the 18 buildings with a total gross floor area of 58,587.80 sq.m.	Yes
7. The PRC legal opinion contains, inter alia, that:
  - (i) The legal title of the granted land use rights of the property and the buildings erected thereon with Building Ownership Certificates issued are vested in HB Company.
  - (ii) The property is not subject to any sale, transfer, pre-sale, mortgage, encumbrances or any third party rights.
  - (iii) HB Company is entitled to freely transfer, let, or mortgage the subject land and the 18 buildings with Building Ownership Certificates issued without payment of any land grant premium and additional fees in accordance with the PRC laws.
  - (iv) For the 7 buildings, with a total gross floor area of approximately 32,345 sq.m., for which the Building Ownership Certificates are currently under application, there is no legal impediment for HB Company to obtain the Building Ownership Certificates provided that the relevant requirements of the real estate administrative bureau for issuing Building Ownership Certificates have been complied with. Before the issue of the relevant building ownership certificates the current use and occupation of the 7 buildings is valid and legal.

(v) The occupancy and use of the three parcels of land and the buildings erected thereon, with Building Ownership Certificates issued, by HB Company does not breach any of the terms and conditions of the State-owned Land Use Rights Grant Contracts, State-owned Land Use Rights Certificates, Building Ownership Certificates in respect of the property and the laws of the PRC.

(vi) HB Company is an indirect wholly-owned subsidiary of the Company.

8. HB Company is with the following particulars:

- |                        |   |   |
|------------------------|---|---|
| (1) Term of operation  | : | From 9th October, 1995 to 8th October, 2025 |
| (2) Registered capital | : | RMB250,000,000                              |
| (3) Type of enterprise | : | Wholly foreign-owned enterprise             |



Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
4. A brewery complex of Harbin Brewing (Songjiang) Company Limited located in No. 2 Tong Xiang Street, Dongli District, Songjiang Town, Harbin City, Heilongjiang Province, The PRC	<p>The property comprises a parcel of land with a site area of approximately 121,050.6 sq.m. and 13 items of buildings and structures erected thereon.</p> <p>The buildings and structures were completed in various stages between 1985 and 2000. The buildings and structures of the property have a total gross floor area of approximately as follows:</p> <p>12 buildings with Building Ownership Certificates      28,670.28 sq.m.</p> <p>1 building without Building Ownership Certificate:      <u>1,004.00 sq.m.</u></p> <p>Total:      <u><u>29,674.28 sq.m.</u></u></p> <p>The main buildings include factory buildings, a physical and chemical building, warehouses, a cooling station, mechanical building etc.</p> <p>The parcel of land was granted with the land use rights for a term of 25 years commencing from 25th July, 2001 to 24th July, 2026.</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	<p>36,000,000 (70% attributable to the Group 25,200,000) (See Note 7)</p>

**Notes:**

- According to the State-owned Land Use Rights Certificate No. 哈國用(2001)字第 44986號 dated 3rd September, 2001, the land use rights of the land with a site area of approximately 121,050.60 sq.m for a term of 25 years commencing from 25th July, 2001 to 24th July, 2026 for industrial use have been granted to Harbin Brewing (Songjiang) Company Limited (“哈爾濱啤酒(松江)有限公司”) (“HB Songjiang”).
- Pursuant to a State-owned Land Use Rights Grant Contract dated 25th July, 2001 entered into between Harbin City Land Administration Bureau (“Party A”) and HB Songjiang, Party A agreed to grant the land use rights of the property to HB Songjiang for a term of 25 years commencing from 25th July, 2001 at a total consideration of RMB5,635,300.
- According to the Building Ownership Certificates Nos. 哈房權証動字第 00001570, 第 00001554, 第 00001552, 第 00001555, 第 00001553, 第 00001562, 第 00001560, 第 00001556, 第 00001558, 第 00001557, 第 00001559, 第 00001561 all dated 27th February, 2001 the building ownership of 12 buildings of the property with a total gross floor area of 28,670.28 sq.m. is vested in HB Songjiang.

4. According to the letter dated 26th October, 2001 issued by the Harbin City Real Property Transaction Centre, the Building Ownership Certificate of 1 building of the property, with a gross floor area of approximately 1,004 sq.m. is currently under application. The date of application was 26th October, 2001.
5. In the course of our valuation of the property, we have excluded the value of the building with a gross floor area of approximately 1,004 sq.m., for which the Building Ownership Certificate is under application. Since the transferability of the legal ownership of this building is unknown, we have ascribed no commercial value to this building. However, for indicative purposes, the depreciated replacement cost of the building as at 30th April, 2002 was RMB1,900,000.
6. 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 Right Grant Contract   | Yes |
| (b) | State-owned Land Use Rights Certificate   | Yes |
| (c) | Building Ownership Certificates for the 12 buildings with a total gross floor area of 28,670.28 sq.m. | Yes |
7. The PRC legal opinion contains, inter alia, that:
- (i) The legal title of the granted land use rights of the land and the buildings erected thereon with Building Ownership Certificates issued are vested in HB Songjiang.
- (ii) The property is not subject to any sale, transfer, pre-sale, mortgage, encumbrances or any third party rights.
- (iii) Upon full payment of all the land grant premium, HB Songjiang is entitled to freely transfer, sublet, or mortgage the subject land and the 12 buildings with Building Ownership Certificates issued without payment of any land grant premium and additional fees in accordance with the PRC laws.
- (iv) For the building, with a gross floor area of approximately 1,004 sq.m., for which the Building Ownership Certificate is currently under application, there is no legal impediment for HB Songjiang to obtain the Building Ownership Certificate provided that the relevant requirements of the real estate administrative bureau for issuing the Building Ownership Certificate have been complied with. Before the issue of the relevant building ownership certificate, the current use and occupation of the building is valid and legal.
- (v) The occupancy and use of the land and the buildings erected thereon with Building Ownership Certificates issued does not breach the terms and conditions of the State-owned Land Use Right Grant Contract, State-owned Land Use Rights Certificate, Building Ownership Certificates in respect of the property and the laws of the PRC.
- (vi) HB Songjiang is with the following particulars:
- (1) By virtue of having obtained its business licence, HB Songjiang has been duly incorporated and is validly existing under the laws of the PRC as a sino-foreign equity joint venture with limited liability and capable of suing and being sued.
- (2) HB Songjiang has full corporate power and authority to carry on the businesses specified in its business licence.
- (3) The joint venture term of HB Songjiang is 30 years commencing from 25th August, 1994 and ending on 25th August, 2024.

- (4) Term of operation : From 25th August, 1994 to 25th August, 2024
- (5) Parties : Harbin Brewing Company Limited  
哈爾濱松江電機廠  
("Harbin Songjiang Electrical and Mechanical Factory")  
Harbin Brewery Investments Limited
- (6) Total investment amount : RMB65,000,000
- (7) Registered capital : RMB32,500,000
- (8) Proportion of capital contribution/profit sharing : Harbin Brewing Company Limited (45%)  
哈爾濱松江電機廠  
("Harbin Songjiang Electrical and Mechanical Factory") (30%)  
Harbin Brewery Investments Limited (25%)
8. According to the information provided by the Company, HB Songjiang had paid part of the land grant premium and the outstanding balance of the land grant premium RMB3,635,300 will be payable on 15th August, 2002.
9. In our valuation, we have assumed that the land grant premium had been fully paid by HB Songjiang.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
5. A brewery complex of Harbin Brewing (Hegang) Company Limited located in No. 1 Pi Jiu Chang Street (formerly known as San Dao Street and Si Dao Street), Gong Nong District, Hegang City, Heilongjiang Province, The PRC	<p>The property comprises 3 parcels of land with a total site area of approximately 35,820 sq.m. and 20 items of buildings and structures erected thereon.</p> <p>The buildings and structures were completed in various stages between 1974 and 1998 with a total gross floor area of approximately 16,406.45 sq.m.</p> <p>The main buildings and structures include factory buildings, office buildings, a boiler room, a cooling station, a pump room, an electricity distribution station, warehouses, garages, etc.</p> <p>Three parcels of land were allocated with the land use rights for a term of 5 years commencing from 7th June, 1999 to 6th June, 2004.</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	No commercial value (See Notes 3 and 6)

*Notes:*

1. According to the State-Owned Land Use Rights Certificate No. 鶴國用(99)字第 180763 號 dated 7th June, 1999, the land use rights of the land with a site area of approximately 16,970 sq.m. for a term of 5 years commencing from 7th June, 1999 to 6th June, 2004 for industrial use have been allocated to Harbin Brewing (Hegang) Company Limited. (“哈爾濱啤酒(鶴崗)有限公司”) (“HB Hegang”).

According to the State-Owned Land Use Rights Certificate No. 鶴國用(99)字第 180764 號 dated 7th June, 1999, the land use rights of the land with a site area of approximately 2,210 sq.m. for a term of 5 years commencing from 7th June, 1999 to 6th June, 2004 for warehouse purpose have been allocated to HB Hegang.

According to the State-Owned Land Use Rights Certificate No. 鶴國用(99)字第 190034 號 dated 7th June, 1999, the land use rights of the land with a site area of approximately 16,640 sq.m. for a term of 5 years commencing from 7th June, 1999 to 6th June, 2004 for warehouse purpose have been allocated to HB Hegang.

2. According to the Building Ownership Certificates Nos. 鶴崗市房權証工農字第 0000188-100, 第 0000189-99, 第 0000194-94, 第 0000198-90, 第 0000193-95, 第 0000197-91, 第 0000202-86, 第 0000195-93, 第 0000190-98, 第 0000199-89, 第 0000196-92, 第 0000201-87, 第 0000746-209, 第 0001791-97, 第 0001792-96, 第 0001800-88, 第 0001071-285, 第 0001074-282, 第 0001072-284, 第 0001070-286 dated 17th July, 2001, 31st August, 2001, 27th December, 2000 and 8th January, 2002 respectively, the building ownership of 20 buildings of the property with total gross floor area of 16,406.45 sq.m. is vested in HB Hegang.

3. Since the land use rights of the subject land are allocated to HB Hegang for industrial and/or warehouse use, whereby transfer, sale, mortgage and/or lease of the subject land and the buildings erected thereon is subject to governmental approval and payment of land grant premium to be determined by the government, we have attributed no commercial value to the property.
4. For indicative purposes, the depreciated replacement cost of the buildings and structures erected on the subject land as at 30th April, 2002 was RMB8,500,000.
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 | N/A |
| (b) | State-owned Land Use Rights Certificates   | Yes |
| (c) | Building Ownership Certificates            | Yes |
6. The PRC legal opinion contains, inter alia, that:
- (i) HB Hegang has duly obtained the land use rights of the property by allocation.
- (ii) The legal title of the buildings erected on the subject land of the property with Building Ownership Certificates issued are vested in HB Hegang.
- (iii) The property is not subject to any sale, transfer, pre-sale, mortgage, charges or any third party rights.
- (iv) The occupancy and use of the three parcels of land and the buildings erected thereon does not breach any of the terms and conditions of the State-owned Land Use Rights Certificates, Building Ownership Certificates in respect of the property and the laws of the PRC.
- (v) HB Hegang is with the following particulars:
- |     |   |   |  |
|-----|---|---|--|
| (1) | Term of operation                                 | : | From 8th August, 1999 to 29th December, 2020   |
| (2) | Parties   | : | Harbin Brewing Company Limited (“哈爾濱啤酒有限公司”)<br>Harbin Brewery Factory (“哈爾濱啤酒廠”)            |
| (3) | Registered capital                                | : | RMB10,000,000  |
| (4) | Proportion of capital contribution/profit sharing | : | Harbin Brewing Company Limited (“哈爾濱啤酒有限公司”) (95%)<br>Harbin Brewery Factory (“哈爾濱啤酒廠”) (5%) |

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
6. A brewery complex of Harbin Brewing Company Limited (Hailun), located in Yi Wei and San Wei, Tie Lu Street, Hailun City, Heilongjiang Province, The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 29,514.87 sq.m. and 16 items of buildings and structures are erected thereon.</p> <p>The buildings and structures were completed in various stages between 1996 and 1999 with a total gross floor area of approximately 9,493.2 sq.m.</p> <p>The main buildings and structures include factory buildings, an office building, a dormitory building, a canteen, a chimney, boiler rooms, warehouses, etc.</p> <p>Two parcels of land were allocated with the land use rights for an undefined term.</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	No commercial value (See Notes 4 and 7)

*Notes:*

1. According to the State-Owned Land Use Rights Certificate No. 海國用(98)字第 015340號 dated 29th July, 1998, the land use rights of the land with a site area of approximately 21,476.12 sq.m. for an undefined term for industrial use have been allocated to Harbin Brewing Company Limited (Hailun) (“哈爾濱啤酒有限公司海倫分公司”) (“HB Hailun”).

According to the State-Owned Land Use Rights Certificate No. 海國用(99)字第 24189號 dated 19th October, 1999, the land use rights of the land with a site area of approximately 8,038.75 sq.m. for an undefined term for industrial use have been allocated to HB Hailun.

2. According to Building Ownership Certificates Nos. 海房字第 0000026, 第 0000035, 第 0000034, 第 0000033, 第 0000029, 第 0000022, 第 0008817, 第 0000023, 第 0000036, 第 0000020, 第 0000027, 第 0000019, 第 0000028, 第 0000032 all dated 29th August, 1997, 房權証海字第 00020714 dated 27th March, 2001 and 房權証海字第 00030989 dated 11th March, 2002, the building ownership of 16 buildings of the property with total gross floor area of 9,493.2 sq.m. is vested in HB Hailun.
3. Upon our inspection, it was noted that there were 3 items of buildings/structures which were held by HB Hailun with a total gross floor area of approximately 1,050 sq.m. which had been demolished.
4. Since the land use rights of the subject land are allocated to HB Hailun for industrial use, whereby transfer, sale, mortgage and/or lease of the subject land and the buildings erected thereon is subject to governmental approval and payment of land grant premium to be determined by the government, we have attributed no commercial value to the property.
5. For indicative purposes, the depreciated replacement cost of the 16 buildings and structures erected on the subject land as at 30th April, 2002 was RMB9,000,000.

6. 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 | N/A |
| (b) | State-owned Land Use Rights Certificates   | Yes |
| (c) | Building Ownership Certificates            | Yes |
7. The PRC legal opinion contains, inter alia, that:
- (i) HB Hailun has duly obtained the land use rights of the property by allocation.
  - (ii) The legal title of the buildings erected on the subject land of the property with Building Ownership Certificates issued are vested in HB Hailun.
  - (iii) The property is not subject to any sale, transfer, pre-sale, mortgage, charges or any third party rights.
  - (iv) The occupancy and use of the two parcels of land and the buildings erected thereon does not breach any of the terms and conditions of the State-owned Land Use Rights Certificates, Building Ownership Certificates in respect of the property and the laws of the PRC.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
7. A brewery complex of Jilin Harbin Brewing Company Limited located at Cha Lu He Town, Yongji County, Jilin Province, The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 49,728 sq.m. and 17 items of buildings and structures erected thereon.</p> <p>The buildings and structures were completed in various stages between 1973 and 1997. The 17 items of buildings and structures of property with Building Ownership Certificates have a total gross floor area of approximately 9,907.04 sq.m..</p> <p>The main buildings and structures include factory building, an office building, a cooling station, electricity distribution room, a boiler room, water pump room, warehouses and etc.</p> <p>Two parcels of land were allocated with land use rights for an undefined term.</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	No commercial value (See Notes 4 and 7)

*Notes:*

1. According to a State-owned Land Use Rights Certificate No. 永吉國用(2000)字第 02212028 號 dated 12th December, 2000, the land use rights of the land with a site area of approximately 36,728 sq.m. for an undefined term for industrial use have been allocated to Jilin Harbin Brewing Company Limited (“吉林哈爾濱啤酒有限公司”) (“HB Jilin”).

According to a State-owned Land Use Rights Certificate No. 永吉國用(2001)字第 05090089 號 dated 1st October, 2001, the land use rights of the land with a site area of approximately 13,000 sq.m. for an undefined term for industrial use have been allocated to HB Jilin.

2. According to Building Ownership Certificates Nos. 永吉縣房權証岔路河字第 3-02561, 第 3-02549, 第 3-02547, 第 3-02560, 第 3-02543, 第 3-02544, 第 3-02542, 第 3-02546, 第 3-02559, 第 3-02556, 第 3-02541, 第 3-02551, 第 3-02553, 第 3-02540, 第 3-02555 all dated 12th December, 2000, 第 3-02545, 第 3-01166 both dated 5th May, 1999, the building ownership of the 17 buildings and structures of the property with a total gross floor area of approximately 9,907.04 sq.m. is vested in HB Jilin.
3. Upon our inspection, it was noted that there were 6 items of buildings/structures held by HB Jilin with a total gross floor area of approximately 2,835.50 sq.m. which had been demolished.
4. Since the land use rights of the subject land are allocated to HB Jilin for industrial use, whereby transfer, sale, mortgage and/or lease of the subject land and the buildings erected thereon is subject to governmental approval and payment of land grant premium to be determined by the government, we have attributed no commercial value to the property.



5. For indicative purposes, the depreciated replacement cost of the 17 buildings and structures erected on the subject land as at 30th April, 2002 was RMB2,000,000.
6. Upon our inspection, there are 3 items of construction in progress with a total gross floor area of approximately 6,368.00 sq.m. to be erected on the subject site. As the Building Ownership Certificates of these 3 items have not been applied for, we have not included the value of these 3 items in our valuation.
7. 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   | N/A |
| (b) | State-owned Land Use Rights Certificates   | Yes |
| (c) | Building Ownership Certificates for the 17 buildings with total gross floor area of 9,907.04 sq.m. | Yes |
8. The PRC legal opinion contains, inter alia, that:
- (i) HB Jilin has duly obtained the land use rights of the property by allocation.
- (ii) The legal title of the buildings erected on the subject land of the property with Building Ownership Certificates issued are vested in HB Jilin.
- (iii) The property is not subject to any sale, transfer, pre-sale, mortgage, charges or any third party rights.
- (iv) HB Jilin is with the following particulars:
- |     |   |   |  |
|-----|---|---|--|
| (1) | Term of operation                                 | : | From 3rd January, 2000 to 2nd January, 2020  |
| (2) | Parties   | : | Jilin Province Guoren Beer Company Limited<br>("吉林省國人啤酒有限公司")<br>Harbin Brewing Company Limited<br>("哈爾濱啤酒有限公司")             |
| (3) | Registered capital                                | : | RMB5,000,000   |
| (4) | Proportion of capital contribution/profit sharing | : | Jilin Province Guoren Beer Company Limited<br>("吉林省國人啤酒有限公司") (30%)<br>Harbin Brewing Company Limited<br>("哈爾濱啤酒有限公司") (70%) |
- (v) The occupancy and use of the two parcels of land and the buildings erected thereon by HB Jilin does not breach any of the terms and conditions of the two State-owned Land Use Rights Certificates, Building Ownership Certificates in respect of the property and the laws of the PRC.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
8. A brewery complex of Jiamusi Yuehai Jiafeng Brewery Co., Ltd. located in No. 94 You Yi Road, Jiamusi City, Heilongjiang Province, The PRC	<p>The property comprises a parcel of land with a site area of approximately 90,966.7 sq.m. and 33 items of buildings and structures erected thereon. The buildings and structures were completed in various stages between 1986 and 2000 with a total gross floor area of approximately 44,458.67 sq.m..</p> <p>The main buildings include an office building, factory buildings, a boiler room, a pump room, etc.</p> <p>The parcel of land was granted with the land use rights for a term of 30 years commencing from 1st July, 1997 to 30th June, 2027.</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	60,000,000 (60% attributable to the Group: 36,000,000) (See Note 5)

## Notes:

- According to the State-owned Land Use Rights Certificate No. 黑國用(1997)字第 082號 dated 9th September, 1997, the land use rights of the land with a site area of approximately 90,966.7 sq.m. for a term of 30 years commencing from 1st July, 1997 to 30th June, 2027 for industrial use have been granted to Jiamusi Yuehai Jiafeng Brewery Co., Ltd. (“佳木斯粵海佳鳳啤酒有限公司”) (“Jiamusi JV”).
- According to Building Ownership Certificates Nos. 佳房權証永字第 2002001522, 第 2002000718 第 2002000715, 第 2002000713, 第 2002002522, 第 2002002524, 第 2002002523, 第 2002002521, 第 2002002525, 第 2002000724, 第 2002002519, 第 2002001513, 第 2002000711, 第 2002000714, 第 2002000716, 第 2002000722, 第 2002000723, 第 2002001511, 第 2002001515, 第 2002001516, 第 2002001521, 第 2002002520, 第 2002001512, 第 2002001519, 第 2002001518, 第 2002001520, 第 2002000720, 第 2002000712, 第 2002001514, 第 2002001517, 第 2002000717, 第 2002000721 和 第 2002000719 all dated 28th February, 2002, the building ownership of 33 buildings of the property with total gross floor areas of 44,458.67 sq.m. is vested in Jiamusi JV.
- 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:
  - State-owned Land Use Rights Grant Contract N/A
  - State-owned Land Use Rights Certificate Yes
  - Building Ownership Certificates Yes
- According to the joint venture agreement of Jiamusi JV, the land use rights were obtained by way of capital injection contributed by Jiamusi Brewery Factory. Therefore, the Land Use Rights Grant Contract is not applicable and required in this case.

5. The PRC legal opinion contains, inter alia, that:
- (i) The legal title of the granted land use rights of the property and the buildings erected thereon are vested in Jiamusi JV.
  - (ii) The property is not subject to any sale, transfer, pre-sale, mortgage, charges or any third party rights.
  - (iii) The occupancy and use of the land and the buildings erected thereon does not breach any of the terms and conditions of the State-owned Land Use Rights Certificate, Building Ownership Certificates in respect of the property and the laws of the PRC.
  - (iv) Full land premium in respect of the land must be fully paid before any sale and transfer can be effected. The amount of shortfall of the land grant premium is to be assessed by the relevant PRC government authority at the time of the sale and transfer.
  - (v) Jiamusi JV is with the following particulars:
    - (1) By virtue of having obtained its business licence, Jiamusi JV has been duly incorporated and is validly existing under the laws of the PRC as a sino-foreign equity joint venture with limited liability and capable of suing and being sued.
    - (2) Jiamusi JV has full corporate power and authority to carry on the businesses specified in its business licence.
    - (3) The joint venture term of Jiamusi JV is 30 years commencing from 20th March, 1996 and ending on 19th March, 2026.
    - (4) Term of operation : From 20th March, 1996 to 19th March, 2026
    - (5) Parties : Fung Heng Investment Limited (“香港豐行投資有限公司”)  
Jiamusi Brewery Factory (“佳木斯啤酒廠 ”)
    - (6) Total investment amount : US\$8,433,700
    - (7) Registered capital : US\$5,984,000
    - (8) Proportion of capital : Fung Heng Investment Limited (“香港豐行投資有限公司”) (60%)  
contribution/profit sharing Jiamusi Brewery Factory (“佳木斯啤酒廠 ”) (40%)
6. In our valuation, we have assumed that the shortfall of the land grant premium has been settled by Jiamusi JV.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
9. A brewery complex of Mudanjiang Jing Po Brewery Co., Ltd. located in No. 77 Dong Xin Rong Street, Aimin District, Mudanjiang City, Heilongjiang Province, The PRC	<p>The property comprises 4 parcels of land (hereinafter referred to as "Lands A, B, C and D") with a total site area of approximately 79,895.34 sq.m. and 55 items of buildings and structures erected thereon.</p> <p>The buildings and structures were completed in various stages between 1958 and 2001 with a total gross floor area of approximately 71,985.35 sq.m..</p> <p>The main buildings include factory buildings, office buildings, warehouses, boiler rooms, an electricity distribution station, etc.</p> <p>Three parcels of land, Lands A, B and C of the property, with a total site area of 22,994.11 sq.m., were granted with the land use rights for a term of 50 years commencing from 20th August, 1997 to 20th August, 2047.</p> <p>One parcel of land, Land D of the property, with an area of 56,901.23 sq.m. is leased to Mudanjiang Jing Po Brewery Co., Ltd. from Mudanjiang City Land Administration Bureau, an independent third party, for a term of 20 years commencing from 25th September, 2001 to 24th September, 2021 at an annual rental of RMB182,083.94. (See Note 2)</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	17,500,000 (55% attributable to the Group: 9,625,000) (See Note 8)

*Notes:*

1. According to the State-owned Land Use Rights Certificate No. 牡土國用藉字第 95000395號 dated 26th December, 1997, the land use rights of the land ("Land A") with a site area of approximately 7,291.54 sq.m. for a term of 50 years commencing from 20th August, 1997 and expiring on 20th August, 2047 for industrial use have been granted to Mudanjiang Jing Po Brewery Co., Ltd. ("牡丹江鏡泊啤酒有限公司") ("Mudanjiang JV).

According to the State-owned Land Use Rights Certificate No. 牡土國用(2001)字第 2001400396號 dated 11th September, 2001, the land use rights of the land ("Land B") with a site area of approximately 7,029.67 sq.m. for a term of 50 years commencing from 20th August, 1997 and expiring on 20th August, 2047 for industrial use have been granted to Mudanjiang JV.

According to the State-owned Land Use Rights Certificate No. 牡土國用(2001)字第 2001400397號 dated 11th September, 2001, the land use rights of the land ("Land C") with a site area of approximately 8,672.90 sq.m. for a term of 50 years commencing from 20th August, 1997 and expiring on 20th August, 2047 for industrial use have been granted to Mudanjiang JV.

2. According to a State-owned Land Use Rights Tenancy Agreement dated 25th September, 2001, the land use rights of Land D of the property, with an area of 56,901.23 sq.m., are leased to Mudanjiang JV by Mudanjiang City Land Administration Bureau for a term of 20 years from 25th September, 2001 to 24th September, 2021 for industrial use.
3. Pursuant to a State-owned Land Use Rights Grant Contract - GF-92-001 dated 7th November, 1997 and its supplemental agreement dated 15th November, 2001 both entered into between Mudanjiang City Land Administration Bureau and Mudanjiang JV, the land use rights of Lands A, B and C of the property are agreed to be granted to Mudanjiang JV for a term of 50 years commencing from 20th August, 1997 to 20th August, 2047 for industrial use at a total consideration of RMB6,268,568.18.
4. According to the Building Ownership Certificates Nos. 牡房權証愛民區字第 323284, 第 323294, 第 323304, 第 323311, 第 323308, 第 323312, 第 323299, 第 323329, 第 323307, 第 323310, 第 323301, 第 323287, 第 323319, 第 323327, 第 323323, 第 323318, 第 323290, 第 323324, 第 323286, 第 323322, 第 323291, 第 323288, 第 323309, 第 323281, 第 323315, 第 323292, 第 323282, 第 323293, 第 323306, 第 323320, 第 323326, 第 323316, 第 323317, 第 323302, 第 323285, 第 323300, 第 323295, 第 323298, 第 323289, 第 323314, 第 323325, 第 323313, 第 323330, 第 323305, 第 323321, 第 323283, 第 323297, 第 323303, 第 323328, 第 323296, 第 323280 all dated 24th November, 2001 and 牡房權証愛民區字第 323415, 第 323414, 第 323416, 第 323413 all dated 30th November, 2001, the building ownership of 55 buildings of the property with total gross floor area of 71,985.35 sq.m. is vested in Mudanjiang JV.
5. The open market value of the property only includes the value of the granted land use rights of Lands A, B and C and the 11 buildings erected thereon. Since Land D is leased to Mudanjiang JV, we have attributed no commercial value to Land D and the 44 buildings and structures erected thereon.
6. In the valuation of the property, we have excluded the value of the 44 buildings, which are erected on Land D, with a total gross floor area of approximately 57,083.14 sq.m.. However, for indicative purposes, the depreciation replacement cost of the 44 buildings erected on Land D of the property as at 30th April, 2002 was RMB35,000,000.
7. 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 Certificates	Yes
(c)	Building Ownership Certificates	Yes
8. The PRC legal opinion contains, inter alia, that:
  - (i) The legal title of the granted land use rights of Lands A, B and C of the property and the buildings erected thereon with Building Ownership Certificates issued are vested in Mudanjiang JV.
  - (ii) Lands A, B and C are not subject to any sale, transfer, pre-sale, mortgage, encumbrances or any third party rights.
  - (iii) Mudanjiang JV is entitled to freely transfer, let, or mortgage Lands A, B and C and the 11 buildings erected thereon with Building Ownership Certificates issued without payment of any land grant premium and additional fees in accordance with the PRC laws.

- (iv) The occupancy and use of the four parcels of land and the buildings erected thereon does not breach any of the terms and conditions of the State-owned Land Use Rights Certificates, State-owned Land Use Rights Grant Contract, State-owned Land Use Rights Tenancy Agreement, Building Ownership Certificates in respect of the property and the laws of the PRC.
- (v) Mudanjiang JV has validly and legally leased and obtained the possession of Land D and is the sole land use rights user of Land D.
- (vi) Mudanjiang JV is with the following particulars:
- (1) By virtue of having obtained its business licence, Mudanjiang JV has been duly incorporated and is validly existing under the laws of the PRC as a sino-foreign equity joint venture with limited liability and capable of suing and being sued.
  - (2) Mudanjiang JV has full corporate power and authority to carry on the businesses specified in its business licence.
  - (3) The joint venture term of Mudanjiang JV is 30 years commencing from 28th December, 1995 and ending on 27th December, 2025.
  - (4) Term of operation : From 28th December, 1995 to 27th December, 2025
  - (5) Parties : Extra Lucky Investment Limited (“香港加樂投資有限公司”)  
Mudanjiang Brewery Factory (“牡丹江啤酒廠”)
  - (6) Total investment amount : RMB160,000,000
  - (7) Registered capital : RMB64,120,000
  - (8) Proportion of capital contribution/profit sharing : Extra Lucky Investment Limited (“香港加樂投資有限公司”) (55%)  
Mudanjiang Brewery Factory (“牡丹江啤酒廠”) (45%)

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
10. A brewery complex of Jilin GD - Yinpu Beer Co. Ltd. located in No. 125 Tong Yang Road, Shuangyang District, Changchun City, Jilin Province, The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 140,255.3 sq.m. and 18 items of buildings and structures erected thereon.</p> <p>The buildings and structures were completed in various stages between 1986 and 1997. The 18 items of buildings and structures of property with Building Ownership Certificates have a total gross floor area of approximately 36,574.77 sq.m..</p> <p>The main buildings and structures include factory buildings, office buildings, cooling stations, a garage, warehouses, an electricity distribution room, a boiler room, a water supply station, etc.</p> <p>Two parcels of land were both granted with the land use rights for a term of 50 years commencing on 31st December, 2001 and expiring on 31st December, 2051 for industrial use.</p>	The property is at present occupied by the Group as a beer brewery and ancillary purposes.	80,000,000 (55% attributable to the Group: 44,000,000) (See Note 7)

*Notes:*

- According to the State-owned Land Use Rights Certificate No. 長雙國用(2001)字第 011211598號 dated 31st December, 2001, the land use rights of the land with a site area of approximately 2,648.00 sq.m. ("Lot 1") for a term of 50 years commencing on 31st December, 2001 and expiring on 31st December, 2051 for industrial use have been granted to Jilin GD-Yinpu Beer Co. Ltd. ("吉林省粵海銀瀑啤酒有限公司") ("Yinpu JV").
- Accordingly to the State-owned Land Use Rights Certificate No. 長雙國用(2001)字第 011211599號 dated 31st December, 2001, the land use rights of the land with a site area of approximately 137,607.30 sq.m. ("Lot 2") for a term of 50 years till 31st December, 2051 for industrial use have been granted to Yinpu JV.
- According to three State-owned Land Use Rights Grant Contracts dated 5th March, 1997 and 31st December, 2001 respectively entered into between Changchun City Shuangyang District Land Administration Bureau and Yinpu JV, the land use rights of the subject site of the property are granted to Yinpu JV for a term of 50 years at a total consideration of RMB15,545,512.23.
- According to Building Ownership Certificates Nos. 房權証長房權字第 60900002, 第 60900003, 第 60900006, 第 60900007, 第 60900009, 第 60900010, 第 60900011, 第 60900012, 第 60900013, 第 60900014, 第 60900016, 第 60900017, 第 60900004, 第 60900005, 第 60900008, 第 60900015, all dated 29th June, 1999 and 第 60900108, 第 60900105 both dated 11th April, 2002, the building ownership of the 18 buildings and structures of the property with a total gross floor area of approximately 36,574.77 sq.m. is vested in Yinpu JV.

5. Upon inspection, there are 5 items of construction in progress with a total gross floor area of approximately 14,308 sq.m. to be erected on the subject site. As the Building Ownership Certificates of these 5 items have not been applied for, we have not included the value of these 5 items in our valuation.
6. 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 Contracts   | Yes |
| (b) | State-owned Land Use Rights Certificates  | Yes |
| (c) | Building Ownership Certificates for 18 buildings with a total gross floor area of 36,574.77 sq.m. | Yes |
7. The PRC legal opinion contains, inter alia, that:
- (i) The legal title of the granted land use rights of the property and the buildings erected thereon with Building Ownership Certificates issued are vested in Yinpu JV.
- (ii) Yinpu JV is entitled to freely transfer, sublet, or mortgage Lot 1 and Lot 2 (subject to full repayment of the existing mortgage) without payment of any land grant premium and additional fees in accordance with the PRC Laws.
- (iii) A portion of Lot 2 of the property is subject to two mortgages: (a) with the land use rights of site area of 48,357.00 sq.m. and 11 buildings with a total gross floor area of 19,428.63 sq.m. erected thereon to China Industrial and Commercial Bank Changchun City Shuangyang District Branch for a term from 16th March, 2001 to 5th March, 2003; and (b) with the land use rights of site area of 27,740.00 sq.m. and 3 buildings with a total gross floor area of 8,804.65 sq.m. erected thereon to Agricultural Bank of China Changchun City Shuangyang District Branch for a term from 19th March, 2001 to 10th March, 2003.
- (iv) Yinpu JV is with the following particulars:
- (1) By virtue of having obtained its business licence, Yinpu JV has been duly incorporated and is validly existing under the laws of the PRC as a sino-foreign equity joint venture with limited liability and capable of suing and being sued.
- (2) Yinpu JV has full corporate power and authority to carry on the businesses specified in its business licence.
- (3) The joint venture term of Yinpu JV is 30 years commencing from 21st March, 1997 and ending on 20th March, 2027.
- (4) Term of operation : From 21st March, 1997 to 20th March, 2027
- (5) Parties : Prestige Full Investment Limited (“香港譽豐投資有限公司”)  
Yinpu Brewery Factory, Jilin Province (“吉林省銀瀑啤酒廠(集團)”)  
Shenzhen Guangdong Industrial Investment  
Company Limited (“深圳粵海實業投資發展有限公司”)



- (6) Total investment amount : RMB170,000,000
- (7) Registered capital : RMB68,000,000
- (8) Proportion of capital contribution/profit sharing : Prestige Full Investment Limited (“香港譽豐投資有限公司”) (55%)  
Yinpu Brewery Factory, Jilin Province (“吉林省銀瀑啤酒廠(集團)”) (10%)  
Shenzhen Guangdong Industrial Investment Company Limited (“深圳粵海實業投資發展有限公司”) (35%)
- (v) The occupancy and use of the two parcels of land and the buildings erected thereon with Building Ownership Certificates issued does not breach any of the terms and conditions of the State-owned Land Use Rights Grant Contracts, the State-owned Land Use Rights Certificates, Building Ownership Certificates in respect of the property and the laws of the PRC.

## GROUP III — PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
11. One unit on Level 3 and a carparking space on Level 1, No. 6, Zone 3 of Kai Fa Xiao Qu, Ranghu Road District, Daqing City, Heilongjiang Province, The PRC	The property comprises a unit on level 3 and a carparking space on level 1 of a 6-storey hotel completed in or about 1999.  The property has a gross floor area of approximately 400 sq.m. (excluding carparking space).	The property is rented to Harbin Brewing Company Limited from 大慶市讓湖路區王府飯店 (the landlord), an independent third party, under the Lease Agreement dated 19th April, 2002 for a term commencing from 21st April, 2002 to 20th April, 2003 at an annual rental of RMB42,000 exclusive of service charges and management fees.  The property is currently occupied by the Group for office, staff quarter and car park purposes.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited (“HB Company”) is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
12. One unit and a carparking space on Level 1, Building No. 1 of Dong Xing Xiao Qu, Dongan District, Mudanjiang City, Heilongjiang Province, The PRC	<p>The property comprises a unit and a carparking space on level 1 of a 28-storey composite building completed in or about 1998.</p> <p>The property has a gross floor area of approximately 170 sq.m. (excluding carparking space).</p>	<p>The property is rented to Harbin Brewing Company Limited from 柳平 (the landlord), an independent third party, under the Lease Agreement dated 20th December, 2001 for a term commencing from 1st January, 2002 to 31st December, 2002 at an annual rental of RMB36,000 exclusive of service charges and management fees.</p> <p>The property is currently occupied by the Group for office, storage and car park purposes.</p>	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
13. One unit on Level 1, Building No. 1 of Linji Xiao Qu, Dongan District, Mudanjiang City, Heilongjiang Province, The PRC	The property comprises a unit on level 1 of a 7-storey composite building completed in or about 2001.  The property has a gross floor area of approximately 75 sq.m..	The property is rented to Harbin Brewing Company Limited from 張永真 (the landlord), an independent third party, under the Lease Agreement dated 28th December, 2001 for a term commencing from 1st January, 2002 to 31st December, 2002 at a semi-annual rental of RMB9,600 exclusive of service charges and management fees.  The property is currently occupied by the Group for storage purpose.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
14. All units on Levels 1-4, No. 8 Hui Wen Road, Nanguan District, Changchun City, Jilin Province, The PRC	The property comprises all units on levels 1-4 of a 4-storey residential detached house completed in or about 1996.  The property has a gross floor area of approximately 600 sq.m..	The property is rented to Harbin Brewing Company Limited from 王春雷 (the landlord), an independent third party, under the Lease Agreement dated 1st July, 2000 for a term commencing from 1st July, 2000 to 1st July, 2005 at a semi-annual rental of RMB100,000 exclusive of service charges and management fees.  The property is currently occupied by the Group for sales office purpose.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
15. One unit and a carparking space on Level 1, No. 98 Shun Cheng Shi Street, Chuanying District, Jilin City, Jilin Province, The PRC	The property comprises a unit and a carparking space on level 1 of a 6-storey composite building completed in or about 2000.  The property has a gross floor area of approximately 360 sq.m. (excluding carparking space).	The property is rented to Harbin Brewing Company Limited from 劉大偉 (the landlord), an independent third party, under the Lease Agreement dated 29th February, 2000 for a term commencing from 1st March, 2000 to 1st March, 2005 at an annual rental of RMB40,000 exclusive of service charges and management fees.  The property is currently occupied by the Group for office and car park purposes.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
16. One unit on Level 1, No. 2 Jin Hai Le Yuan, Xigang District, Dalian City, Liaoning Province, The PRC	The property comprises a unit on level 1 of a 5-storey composite building completed in or about 1999.  The property has a gross floor area of approximately 500 sq.m..	The property is rented to Harbin Brewing Company Limited from 大連鑫磊電子有限公司 (the landlord), an independent third party, under the Lease Agreement dated 31st August, 2001 for a term commencing from 1st September, 2001 to 1st September, 2020 at an annual rental of RMB136,000 exclusive of service charges and management fees.  The property is currently occupied by the Group for office purpose.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
17. One unit on Level 1, You Hao Xiao Qu, No. 138 Hui Gong Street, Shenhe District, Shenyang City, Liaoning Province, The PRC	<p>The property comprises a unit on the level 1 of a 15-storey composite building completed in or about 1996.</p> <p>The property has a useable area of approximately 102 sq.m..</p>	<p>The property is rented to Harbin Brewing Company Limited from 楊軍 (the landlord), an independent third party, under the Lease Agreement dated 1st September, 2001 for a term commencing from 1st September, 2001 to 1st September, 2002 at an annual rental of RMB18,000 exclusive of service charges and management fees.</p> <p>The property is currently occupied by the Group for beer storage purpose.</p>	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.



Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
18. One unit on Level 1 You Hao Xiao Qu, No. 136 Hui Gong Street, Shenhe District, Shenyang City, Liaoning Province, The PRC	<p>The property comprises a unit on level 1 of a 15-storey composite building completed in or about 1996.</p> <p>The property has a gross floor area of approximately 105.2 sq.m..</p>	<p>The property is rented to Harbin Brewing Company Limited from 符彬 (the landlord), an independent third party, under the Lease Agreement dated 1st September, 2001 for a term commencing from 1st September, 2001 to 1st September, 2002 at an annual rental of RMB18,000 exclusive of service charges and management fees.</p> <p>The property is currently occupied by the Group for beer storage purpose.</p>	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
19. Unit 3 on Level 15 of Hui Xin Building, No. 149 Hui Gong Street, Shenhe District, Shenyang City, Liaoning Province, The PRC	<p>The property comprises a unit on level 15 of a 16-storey composite building completed in or about 1996.</p> <p>The property has a useable area of approximately 130.56 sq.m..</p>	<p>The property is rented to Harbin Brewing Company Limited from 董明華 (the landlord), an independent third party, under the Lease Agreement dated 1st September, 2001 for a term commencing from 1st September, 2001 to 1st September, 2002 at an annual rental of RMB45,000 exclusive of service charges and management fees.</p> <p>The property is currently occupied by the Group for office and staff quarter purposes.</p>	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
20. Two units on Levels 1 and 2 beside Lin Xiang Li Ju Wei Hui, Qi Wei Road, Hedong District, Tianjin City, The PRC	<p>The property comprises two units on levels 1 and 2 of a 2-storey residential detached house completed in or about 1988.</p> <p>The property has a gross floor area of approximately 150 sq.m..</p>	<p>The property is rented to Harbin Brewing Company Limited from 天津市醫療器械工業公司 聯營綜合貿易部 (the landlord), an independent third party, under the Lease Agreement dated 1st January, 2002 for a term commencing from 1st January, 2002 to 30th December, 2002 at an annual rental of RMB68,400 exclusive of service charges and management fees.</p> <p>The property is currently occupied by the Group for office purpose.</p>	No commercial value

*Notes:*

1. Harbin Brewing Company Limited (“HB Company”) is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
21. Two units on Levels 1 and 2 No. 7 Dai Jia Lane, Yi Jiang Men, Gulou District, Nanjin City, Jiangsu Province, The PRC	The property comprises two units on levels 1 and 2 of a 2-storey residential detached house building completed in or about 1992.  The property has a gross floor area of approximately 306 sq.m..	The property is rented to Harbin Brewing Company Limited from 南京軍區空軍挹江門離職幹部修養所 (the landlord) an independent third party, under the Lease Agreement dated 25th October, 2001 for a term commencing from 26th October, 2001 to 25th October, 2002 at an annual rental of RMB75,000 exclusive of service charges and management fees.  The property is currently occupied by the Group for sales office purpose.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
22. One unit on Level 1 No. 70 Yong Wai Yang Qiao, Fengtai District, Beijing City, The PRC	The property comprises a unit on level 1 of a 4-storey composite building completed in or about 1994.  The property has a gross floor area of approximately 186 sq.m..	The property is rented to Harbin Brewing Company Limited from 中國肉類食品綜合研究中心 (the landlord), an independent third party, under the Lease Agreement dated 10th January, 2002 for a term commencing from 11th January, 2002 to 10th January, 2003 at an annual rental of RMB60,000 exclusive of service charges and management fees.  The property is currently occupied by the Group for office purpose.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
23. One unit on Level 1 No. A3, Nan Chang Po Cun, Dai Bei Yao, Chaoyang District, Beijing City, The PRC	<p>The property comprises a unit on level 1 of a single-storey residential building completed in or about 1992.</p> <p>The property has a gross floor area of approximately 246 sq.m..</p>	<p>The property is rented to Harbin Brewing Company Limited from 北京市電光源研究所 (the landlord), an independent third party, under the Lease Agreement dated 23rd July, 2001 for a term commencing from 23rd July, 2001 to 23rd July, 2003 at an annual rental of RMB100,000 exclusive of service charges and management fees.</p> <p>The property is currently occupied by the Group for office, staff quarter and storage purposes.</p>	No commercial value

*Notes:*

1. Harbin Brewing Company Limited (“HB Company”) is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2002 RMB
24. One unit on Level 1 Building No. 15, Zone 2 of Liang Fu Xiao Qu, Tianqiao District, Jinan City, Shandong Province, The PRC	The property comprises a unit on level 1 of a 6-storey composite building completed in or about 1997.  The property has a gross floor area of approximately 360 sq.m..	The property is rented to Harbin Brewing Company Limited from 王玉芹 (the landlord), an independent third party, under the Lease Agreement dated 16th December, 2000 for a term commencing from 16th December, 2001 to 16th December, 2002 at an annual rental of RMB60,000 exclusive of service charges and management fees.  The property is currently occupied by the Group for sales office purpose.	No commercial value

*Notes:*

1. Harbin Brewing Company Limited ("HB Company") is an indirect wholly-owned subsidiary of the Company.
2. According to the PRC legal opinion, the Lease Agreement has not been registered/ filed by the landlord with the relevant land authority in accordance with PRC laws. However, the Lease Agreement is still binding on both parties and non-registration/filing would only result in no priority to HB Company should a third party register a lease agreement of the same property but would not affect the legality and effectiveness of the Lease Agreement or the use of the property by HB Company. Further, the PRC legal opinion is given on the assumptions that (i) the landlord is the lawful owner of the property and has obtained the relevant building ownership certificate, state-owned land use rights certificate; (ii) has the right to lease the property to HB Company in accordance with the terms and conditions contained in the relevant building ownership certificate and state-owned land use rights certificate and the Lease Agreement; (iii) the landlord has obtained all the prior necessary approvals (including Lease Certificate, Lease Permit and like certificates) in accordance with PRC laws for the leasing of the property; (iv) the actual use of the property by HB Company is in compliance with the relevant requirements of PRC laws. Should any of the above assumptions is incorrect, the Lease Agreement is void according to PRC laws. However, HB Company has the right to require the landlord to return all paid rental and/or fees and compensate it with any loss arising as a result.