

*The following is the texts of letter, summary of valuation and valuation certificates, prepared for the purpose of incorporation in this prospectus, received from Vigers Appraisal & Consulting Limited, an independent property valuer, in connection with their valuations as at 30 November 2007 for the property interests of the Group in the People's Republic of China, Taiwan and Hong Kong.*

Vigers Appraisal & Consulting Limited  
International Assets Appraisal Consultants



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

21 January 2008

The Directors  
Solargiga Energy Holdings Limited  
Rooms 4001–06  
Office Tower, Convention Plaza  
No. 1 Harbour Road  
Wanchai  
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value of the property interests exhibited to us held by Solargiga Energy Holdings Limited (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) located in the People’s Republic of China (the “PRC”), the Hong Kong Special Administrative Region of the PRC (“Hong Kong”) and Taiwan, 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 market value of such property interests as at 30 November 2007 (“the date of valuation”) for the purpose of incorporating into the prospectus.

Our valuation is our opinion of the market value of the property interest which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the property interests in Group I, which are located in Shanghai City and Jinzhou City, we have adopted a combination of the market and depreciated replacement cost approach in assessing the land portion of the properties and the buildings and structures standing on the land respectively. Hence, the sum of the two results represents the market value of the properties as a whole. In the valuation of the land portion, reference has been made to the standard land prices in Shanghai City and Jinzhou City and the sales evidence as available to us in the locality. As the nature of the buildings

and structures cannot be valued on the basis of market value, they have therefore been valued on the basis of their depreciated replacement costs. The depreciated replacement cost approach considers the current cost of replacement (reproduction) of the buildings and improvements less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The depreciated replacement cost approach generally furnishes the most reliable indication of value for property in the absence of a known market based on comparables sales. The approach is subject to adequate potential profitability of the business.

The property interests in Groups II, III, IV and V have been ascribed no commercial value due to the short-term nature of the tenancy, the prohibition against assignment or sub-letting, or otherwise due to the lack of substantial profit rents.

Our valuations of property interests have been made on the assumption that the owner sells the properties in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which could serve to increase the values of the properties. Furthermore, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no forced sale situation in any manner is assumed in our valuations.

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use, occupy or assign the property interests for the whole of the unexpired term of the respective land use rights. Furthermore, we have also assumed that all consents, approvals and licences from relevant PRC government authorities for development of the property interests were granted without any onerous conditions or undue delay.

In the course of our valuations, we have not caused title searches to be made for the property interests at the relevant government bureau in the PRC and Taiwan and for the property in Hong Kong, we have caused searches to be made at the Land Registry. However, we have been provided with extracts of title documents relating to the property interests in the PRC and Taiwan. We have not, however, searched the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which do not appear on the copies handed to us. All documents have been used for reference only. All dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and therefore are only approximations.

In undertaking the valuation of the properties in the PRC and Taiwan, we have relied on the legal opinions provided by the Group's PRC legal advisor, Jingtian & Gongcheng; and the Group's Taiwan legal advisor, Lee & Li Attorneys-At-Law, respectively.

We have relied to a considerable extent on information provided by you and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, occupancy, lettings, site and floor areas and in the identification of the properties in which the Group has valid interests.

We have inspected the exterior and interior of the properties, however, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, therefore, 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.

We have not carried out investigations on site to determine the suitability of ground conditions and services etc. for any future development, nor have we undertaken any ecological or environmental surveys. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction period.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on any of the properties valued 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 had no reason to doubt the truth and accuracy of the information provided to us by the Group. We were also advised by 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.

In valuing the property interests, we have complied with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary amounts stated are in Renminbi (RMB). The exchange rate used in valuing the property in the PRC as at 30 November 2007 was HK\$1 = RMB0.95. There has been no significant fluctuation in the exchange rates for RMB against Hong Kong Dollars between that date and the date of this letter.

We enclosed herewith our summary of valuation and valuation certificates.

Yours faithfully,  
For and on behalf of  
**Vigers Appraisal & Consulting Limited**  
**Raymond Ho Kai Kwong**  
*Registered Professional Surveyor*  
*MRICS MHKIS MSc(e-com)*  
*Executive Director*

*Note:* Mr. Raymond K.K. Ho, Chartered Surveyor, MRICS, MHKIS has over twenty years' experience in undertaking valuations of properties in Hong Kong and Macau, and has over thirteen years' experience in the valuation of properties in the PRC and Taiwan. Mr. Ho has been working with Vigers Group since 1989.

## SUMMARY OF VALUATION

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

Property	Market Value as at 30 November 2007	Interest attributable to the Group	Market Value attributable to the Group as at 30 November 2007
1. An industrial complex held by Shanghai Jingji Electron Material Co., Ltd. located at No. 359 Zhangjing Cun, Dongjing Town, Songjiang District, Shanghai City, the PRC	No commercial value	100%	Nil
2. An industrial complex held by Jinzhou Yangguang Energy Co., Ltd. located at No. 102 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	RMB19,600,000 (equivalent to approximately HK\$20,630,000)	100%	RMB19,600,000 (equivalent to approximately HK\$20,630,000)
3. A parcel of land held by Jinzhou Rixin Silicon Material Co., Ltd. located at Songshan New Zone, Taihe District, Jinzhou City, Liaoning Province, the PRC	RMB18,300,000 (equivalent to approximately HK\$19,260,000)	100%	RMB18,300,000 (equivalent to approximately HK\$19,260,000)
4. An industrial complex held by Jinzhou Youhua New Energy Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	No commercial value	100%	Nil
<b>Sub-total</b>	<b>RMB37,900,000</b>  <b>(equivalent to approximately HK\$39,890,000)</b>		<b>RMB37,900,000</b>  <b>(equivalent to approximately HK\$39,890,000)</b>

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

Property	Market Value as at 30 November 2007	Interest attributable to the Group	Market Value attributable to the Group as at 30 November 2007
5. A parcel of land together with an industrial building occupied by Jinzhou Xinri Silicon Materials Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	No commercial value	100%	Nil
6. A parcel of land together with an industrial building occupied by Jinzhou Huari Silicon Materials Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	No commercial value	100%	Nil
7. A parcel of land together with an industrial building occupied by Jinzhou Huachang Silicon Materials Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	No commercial value	100%	Nil

<b>Property</b>	<b>Market Value as at 30 November 2007</b>	<b>Interest attributable to the Group</b>	<b>Market Value attributable to the Group as at 30 November 2007</b>
8. A parcel of land together with an industrial building leased by Jinzhou Youhua New Energy Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	No commercial value	100%	Nil
<b>Sub-total</b>	<b>Nil</b>		<b>Nil</b>

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

<b>Property</b>	<b>Market Value as at 30 November 2007</b>	<b>Interest attributable to the Group</b>	<b>Market Value attributable to the Group as at 30 November 2007</b>
9. Various rooms in Units 4001-4009, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong	No commercial value	100%	Nil
<b>Sub-total</b>	<b>Nil</b>		<b>Nil</b>

## Group IV – Property interest leased and occupied by the Group in Taiwan

Property	Market Value as at 30 November 2007	Interest attributable to the Group	Market Value attributable to the Group as at 30 November 2007
10. 4th Floor, No. 39 Jihu Road, Neihu District, Taipei, Taiwan	No commercial value	100%	Nil
<b>Sub-total</b>	<b>Nil</b>		<b>Nil</b>

## Group V – Property interest contracted to be leased by the Group in the PRC

Property	Market Value as at 30 November 2007	Interest attributable to the Group	Market Value attributable to the Group as at 30 November 2007
11. No. 48 of Zone 2, No. 8228 Beiqing Highway Qingpu District, Shanghai City, the PRC	No commercial value	100%	Nil
<b>Sub-total</b>	<b>Nil</b>		<b>Nil</b>
<b>Grand-total</b>	<b>RMB37,900,000</b>		<b>RMB37,900,000</b>
	<b>(equivalent to approximately HK\$39,890,000)</b>		<b>(equivalent to approximately HK\$39,890,000)</b>

## VALUATION CERTIFICATES

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

Property	Description and Tenure	Particulars of occupancy	Market Value as at 30 November 2007
1. An industrial complex held by Shanghai Jingji Electron Material Co., Ltd. located at No. 359 Zhangjing Cun, Dongjing Town, Songjiang District, Shanghai City, the PRC	<p>The property comprises a parcel of industrial land together with various buildings completed before 1998 erected thereon.</p> <p>The property has a site area and a total gross floor area of approximately 5,200 sq.m. and 2,743.85 sq.m. respectively.</p> <p>According to the PRC Legal Opinion, the land parcel is a collective land and the Group is entitled to occupy the land for 30 years.</p>	The property at present is occupied by the Group for production, storage and office uses.	No commercial value

*Notes:*

- Pursuant to a Statement issued on 20 February 1998 by the People's Government of Songjiang Town (Document No.: Song Fu Wai Jing Zi (1998) No. 037), the government agreed Shanghai Huakai Industrial Company Limited (Party A), an independent third party, to provide land use right of a parcel of land having a site area of approximately 5,200 sq.m. for a term of 30 years to establish Shanghai Jingji Electron Material Co., Ltd. ("Shanghai Jingji").
- According to a confirmation letter on Auction dated 5 May 1998, the building portion of the property having a total gross floor area of approximately 2,743.85 sq.m. was sold to Shanghai Jingji at a consideration of RMB2,380,000. The particulars of the buildings are summarized as follows:

Building Name	Gross Floor Area (sq.m.)	No. of storey
Workshop	1,543	2
Office Building	403.17	2
Canteen	171.17	1
Metal Warehouse	170.34	1
Raw Material Warehouse	88.81	1
Material Warehouse	300.12	1
Oil Station	67.24	1
<b>Total</b>	<b>2,743.85</b>	



3. We have ascribed no commercial value to the property due to the absence of the relevant title document whereby Shanghai Jingji is forbidden to freely transfer, lease and mortgage in the open market. However, for indicative purpose, the depreciated replacement costs of the building portion of the property as at the date of valuation is circa RMB1,900,000 (equivalent to approximately HK\$2,000,000) assuming the property has obtained the relevant title documents and is freely transferable in the open market.
4. According to the information provided, Shanghai Jingji is a Sino-foreign cooperative joint venture established in the PRC with limited liability on 16 March 1998 and a wholly-owned subsidiary of the Group.
5. We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
  - (a) According to the law of the PRC, the land parcel is only entitled to be occupied by the collective economic organization. Thus, the occupancy of the property by Shanghai Jingji is in violation of the law of the PRC. The PRC government reserves the right to suspend the occupancy of the property by Shanghai Jingji and force Shanghai Jingji to vacate the land without any compensation. However, Shanghai Jingji would not be punished by the PRC government as no provision in the law of the PRC states any punishment against this kind of violation.
  - (b) Shanghai Jingji has not obtained the Building Ownership Certificates for the buildings mentioned in Note 2. Hence it cannot be proved that Shanghai Jingji legally owns the ownership rights of the buildings.

Property	Description and Tenure	Particulars of occupancy	Market Value as at 30 November 2007
2. An industrial complex held by Jinzhou Yangguang Energy Co., Ltd. located at No. 102 Jiefang Road West, Taihe District Jinzhou City, Liaoning Province, the PRC	<p>The property comprises a parcel of land together with 13 buildings completed in 1980s erected thereon.</p> <p>The property has a site area and a total gross floor area of approximately 30,643.5 sq.m. and 16,530.89 sq.m. respectively.</p> <p>The property has been granted a land use right for a term of 50 years expiring on 29 April 2055 for industrial use.</p>	The property at present is occupied by the Group for production, office and ancillary uses.	<p>RMB19,600,000 (equivalent to approximately HK\$20,630,000)</p> <p><b>Interest attributable to the Group</b></p> <p>100%</p> <p><b>Market Value attributable to the Group as at 30 November 2007</b></p> <p>RMB19,600,000 (equivalent to approximately HK\$20,630,000)</p>

## Notes:

- Pursuant to a State-owned Land Use Right Ownership Certificate (Document No.: Jin Zhou Guo Yong (2005) Zi No. 000283), the land use right of the property having a site area of approximately 30,643.5 sq.m. has been granted to Jinzhou Yangguang Energy Co., Ltd. ("Jinzhou Yangguang") for a term of 50 years expiring on 29 April 2055 for industrial use.
- According to 13 Building Ownership Certificates, the ownerships of 13 buildings having a total gross floor area of approximately 16,530.89 sq.m. are vested in Jinzhou Yangguang, the particulars of these 13 buildings are summarized as follows:

Building Name	Gross Floor Area (sq.m.)	No. of storey	Building Ownership Certificate (Document No.)
Dormitory	1,321.8	3	Jin Fang Quan 01 Zi No. 000235829
Car Park	266.06	1	Jin Fang Quan 01 Zi No. 000235828
Car Park	368.73	1	Jin Fang Quan 01 Zi No. 000235834
Electricity Room	51.24	1	Jin Fang Quan 01 Zi No. 000235837
Electricity Room	257.96	1	Jin Fang Quan 01 Zi No. 000235836
Workshop	7,983.09	1	Jin Fang Quan 01 Zi No. 000235832
Workshop	1,234.55	4	Jin Fang Quan 01 Zi No. 000235831
Workshop	2,660.95	6	Jin Fang Quan 01 Zi No. 000235830
Workshop	370.36	1	Jin Fang Quan 01 Zi No. 000235833
Workshop	371.77	1	Jin Fang Quan 01 Zi No. 000235827
Workshop	137.16	1	Jin Fang Quan 01 Zi No. 000235826
Workshop	906.68	1	Jin Fang Quan 01 Zi No. 000235835
Workshop	600.54	1	Jin Fang Quan 01 Zi No. 000235838
<b>Total</b>	<b>16,530.89</b>		

3. According to the information provided, Jinzhou Yangguang is a wholly foreign-owned enterprise established in the PRC with limited liability on 15 December 2004 and an indirect wholly-owned subsidiary of the Group.
4. We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
  - (a) Jinzhou Yangguang is the current registered owner of the land and the building portion of the property.
  - (b) Jinzhou Yangguang is entitled to occupy, transfer, lease, mortgage or dispose of the property by other means without necessity for any permission, approval and consent granted by the relevant government organizations. However, the property is subject to mortgage, thus the written consent from the mortgagee is required for the transferring, leasing and re-mortgaging of the property.
  - (c) The land premium has been fully settled.
  - (d) All consents and approvals issued by the relevant government organizations concerning the occupation of the property have been obtained.
  - (e) The property is subject to a mortgage in favour of Bank of Communications (Jinzhou Branch) for a drawdown term from 8 November 2006 to 26 September 2007 at a loan amount of RMB10,000,000 with the repayment date not later than 26 September 2008.
  - (f) Except the mortgage disclosed in Note 4(e), the property is free from any other mortgages, charges and third party encumbrances.

Property	Description and Tenure	Particulars of occupancy	Market Value as at 30 November 2007
3. A parcel of land held by Jinzhou Rixin Silicon Material Co., Ltd. located at Songshan New Zone, Taihe District, Jinzhou City, Liaoning Province, the PRC	<p>The property comprises a parcel of land having a site area of approximately 62,863 sq.m.</p> <p>The property has been granted a land use right for a term of 50 years expiring on 27 August 2057 for industrial use.</p>	The property is planned for the construction of production facilities.	<p>RMB18,300,000 (equivalent to approximately HK\$19,260,000)</p> <p style="text-align: right;"><b>Interest attributable to the Group</b></p> <p style="text-align: right;">100%</p> <p style="text-align: right;"><b>Market Value attributable to the Group as at 30 November 2007</b></p> <p style="text-align: right;">RMB18,300,000 (equivalent to approximately HK\$19,260,000)</p>

*Notes:*

1. Pursuant to a State-owned Land Use Right Ownership Certificate (Document No.: Jin Zhou Guo Yong (2007) Zi No. 000378) dated 31 August 2007, the land use right of the property having a site area of approximately 62,863 sq.m. has been granted to Jinzhou Rixin Silicon Material Co., Ltd. ("Jinzhou Rixin") for a term of 50 years expiring on 27 August 2057 for industrial use.
2. According to the information provided, Jinzhou Rixin is a wholly-owned enterprise established in the PRC with limited liability on 9 May 2007 and an indirect wholly-owned subsidiary of the Group.
3. We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
  - (a) Jinzhou Rixin is the current registered owner of the property.
  - (b) Jinzhou Rixin is entitled to occupy, transfer, lease, mortgage or dispose of the property by other means without necessity for any permission, approval and consent granted by the relevant government organizations.
  - (c) The land premium has been fully settled.
  - (d) All consents and approvals issued by the relevant government organizations concerning the occupation of the property have been obtained.
  - (e) The property is free from any mortgages, charges and third party encumbrances.

Property	Description and Tenure	Particulars of occupancy	Market Value as at 30 November 2007
4. An industrial complex held by Jinzhou Youhua New Energy Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	<p>The property comprises three parcels of industrial land together with 32 buildings erected thereon.</p> <p>The property has a total site area and a total gross floor area of approximately 72,901 sq.m. and 23,789.08 sq.m. respectively.</p> <p>The property has been granted land use rights for a common term expiring on 15 August 2057 for industrial use.</p>	Portion of the property has been leased to a third party tenant and the remaining portion is occupied by the Group for production, office and ancillary uses.	No commercial value

*Notes:*

- Pursuant to a Land Use Rights and Buildings Transfer Contract dated 4 December 2007, Jinzhou Xinhua Quartz Glass (Group) Co., Ltd. ("Xinhua Quartz Glass") agreed to sell the property to Jinzhou Youhua New Energy Co., Ltd. ("Jinzhou Youhua") of total site area of 72,091 sq.m. with buildings of total gross floor area of 23,789.08 sq.m. erected thereon at the consideration of RMB22,000,000.
- Pursuant to a land tenancy agreement entered into between Xinhua Quartz Glass (Party A) and Sheng Ge Ban Quartz (Jinzhou) Co., Ltd. (聖戈班石英(錦州)有限公司) ("Shen Ge Ban") (Party B) dated 16 November 2001, the land portion of the property with a site area of approximately 36,857 sq.m. has been leased by Party B from Party A for a term of twenty years commencing from 16 November 2001 at an annual rent of RMB294,856. Shen Ge Ban has a further priority right to lease another part of the land portion of the property with a site area of approximately 23,197 sq.m.
- Pursuant to a building tenancy agreement entered into between Xinhua Quartz Glass (Party A) and Shen Ge Ban (Party B) dated 16 November 2001, the building portion of the property with a gross floor area of approximately 14,926.17 sq.m. has been leased by Party B from Party A for a term of twenty years commencing from 16 November 2001 at an annual rent of RMB1,432,912 from 1 December 2002 onwards.
- On 27 December 2007, Jinzhou Youhua has obtained three State-owned Land Use Right Ownership Certificates (Document Nos.: Jin Zhou Guo Yong (2007) Nos. 000641, 000642 and 000643). The land use rights of the property having a total site area of approximately 72,901 sq.m. have been granted to Jinzhou Youhua for a term expiring on 15 August 2057 for industrial use.
- On 24 December 2007, Jinzhou Youhua has obtained 32 Building Ownership Certificates (Document Nos.: Cun Fang Zi No. Ling Xi 35 - Juan Nos. 1333751 to 1333782). The ownership of 32 buildings having a total gross floor area of approximately 23,789.08 sq.m. is vested in Jinzhou Youhua.
- We have ascribed no commercial value to the property as at the date of valuation as the Group has not obtained the title of the property as at the date of valuation. However, for indicative purpose, the market value of the property as at the date of valuation is circa RMB22,250,000 (equivalent to approximately HK\$23,420,000) assuming the Group has obtained the title of the property.
- According to the information provided, Jinzhou Youhua is a wholly foreign-owned enterprise established in the PRC with limited liability on 25 March 2005 and an indirect wholly-owned subsidiary of the Group.

8. We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
- (a) Jinzhou Youhua is the current registered owner of the property.
  - (b) Jinzhou Youhua is entitled to occupy, transfer, lease, mortgage or dispose of the property by other means without necessity for any permission, approval and consent granted by the relevant government organizations.
  - (c) The transfer fee of the property has been fully settled.
  - (d) All consents and approvals issued by the relevant government organizations concerning the occupation of the property have been obtained.
  - (e) The property is free from any mortgages, charges and third party encumbrances, except the portion having been leased to Shen Ge Ban, a third party tenant and the further priority right of Shen Ge Ban to lease another part of the land portion of the property.
  - (f) The tenancy agreements between Xinhua Quartz Glass and Sheng Ge Ban are valid, effective and legally binding on both parties under the law of the PRC. As Jinzhou Youhua has purchased the land and the buildings from Xinhua Quartz Glass subject to and with the benefit of the tenancy agreements, Jinzhou Youhua will assume the rights and liabilities of Xinhau Quartz Glass under the tenancy agreements. Hence, Jinzhou Youhua has the right to receive the rent from Sheng Ge Ban.

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

Property	Description	Particulars of occupancy	Market Value as at 30 November 2007
5. A parcel of land together with an industrial building occupied by Jinzhou Xinri Silicon Materials Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	<p>The property comprises a parcel of land together with a single-storey building completed in 2000 erected thereon.</p> <p>The property has a site area and a gross floor area of approximately 1,260 sq.m. and 703 sq.m. respectively.</p>	<p>The land portion of the property is held under a tenancy for a term of twenty years commencing from 28 April 2007 to 28 April 2027 at an annual rent of RMB10,080.</p> <p>The property at present is occupied by the Group for production use.</p>	No commercial value

*Notes:*

1. Pursuant to a tenancy agreement entered into between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) (Party A) and Jinzhou Xinri Silicon Materials Co., Ltd. (Party B) dated 28 April 2007, the land portion of the property with a site area of approximately 1,260 sq.m. has been leased from Party A to Party B for a term of twenty years commencing from 28 April 2007 to 28 April 2027 for industrial use at an annual rent of RMB10,080.
2. Pursuant to a Building Ownership Certificate (Document No. Fang Zi Di Ling Xi No. 300), the ownership of the building portion of the property having a total gross floor area of approximately 703 sq.m. is vested in Jinzhou Xinri Silicon Materials Co., Ltd. ("Jinzhou Xinri").
3. Pursuant to a State-owned Land Use Right Ownership Certificate (Document No.: Jin Zhou Shi Tai He Qu Guo Yong (2007) Zi No. 02013), the land use right of the property having a site area of approximately 1,260 sq.m. has been leased to Jinzhou Xinri with an expiry date on 28 April 2027 for industrial use.
4. We have ascribed no commercial value to the property due to the fact that the land portion is leased by Jinzhou Xinri and is therefore not freely transferable in the open market, which results in the building portion of the property not having any commercial value in the open market. However, for indicative purpose, the depreciated replacement costs of the building portion of the property as at the date of valuation is circa RMB880,000 (equivalent to approximately HK\$926,000) assuming the land portion of the property is freely transferable in the open market.
5. According to the information provided, Jinzhou City State-owned Land Resources Bureau (Taihe Branch) is an independent third party, which is not connected with and is independent of, any of the directors, or any of their respective associates of the Group.
6. According to the information provided, Jinzhou Xinri is a wholly foreign-owned enterprise established in the PRC with limited liability on 18 September 2000 and an indirect wholly-owned subsidiary of the Group.
7. We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
  - (a) Jinzhou Xinri is the current registered owner of the building portion of the property and is entitled to use and occupy the same.
  - (b) The building portion of the property is free from any mortgages, charges and third party encumbrances.
  - (c) All consents and approvals granted by the relevant government authorities concerning the occupation of the building portion of the property have been obtained.
  - (d) Jinzhou City State-owned Land Resources Bureau (Taihe Branch) is entitled to lease the land portion of the property to Jinzhou Xinri and the tenancy between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) and Jinzhou Xinri is valid, effective and legally binding on both parties under the law of the PRC and has been registered with the relevant government authorities.

Property	Description	Particulars of occupancy	Market Value as at 30 November 2007
6. A parcel of land together with an industrial building occupied by Jinzhou Huari Silicon Materials Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	<p>The property comprises a parcel of land together with a 2-storey building completed in 2004 erected thereon.</p> <p>The property has a site area and a gross floor area of approximately 2,212 sq.m. and 1,362.5 sq.m. respectively.</p>	<p>The land portion of the property is held under a tenancy for a term of twenty years commencing from 28 April 2007 to 28 April 2027 at an annual rent of RMB17,696.</p> <p>The property at present is occupied by the Group for production use.</p>	No commercial value

*Notes:*

1. Pursuant to a tenancy agreement entered into between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) (Party A) and Jinzhou Huari Silicon Materials Co., Ltd. (Party B) dated 28 April 2007, the land portion of the property with a site area of approximately 2,212 sq.m. has been leased from Party A to Party B for a term of twenty years commencing from 28 April 2007 to 28 April 2027 for industrial use at an annual rent of RMB17,696.
2. Pursuant to a Building Ownership Certificate (Document No.: Fang Zi Di Ling Xi No. 35), the ownership of the building portion of the property having a total gross floor area of approximately 1,362.5 sq.m. is vested in Jinzhou Huari Silicon Materials Co., Ltd ("Jinzhou Huari").
3. Pursuant to a State-owned Land Use Right Ownership Certificate (Document No.: Jin Zhou Shi Tai He Qu Guo Yong (2007) Zi No. 02011), the land use right of the property having a site area of approximately 2,212 sq.m. has been leased to Jinzhou Huari with an expiry date on 28 April 2027 for industrial use.
4. We have ascribed no commercial value to the property due to the fact that the land portion is leased by Jinzhou Huari and is therefore not freely transferable in the open market, which results in the building portion of the property not having any commercial value in the open market. However, for indicative purpose, the depreciated replacement costs of the building portion of the property as at the date of valuation is circa RMB1,260,000 (equivalent to approximately HK\$1,326,000) assuming the land portion of the property is freely transferable in the open market.
5. According to the information provided, Jinzhou City State-owned Land Resources Bureau (Taihe Branch) is an independent third party, which is not connected with and is independent of, any of the directors, or any of their respective associates of the Group.
6. According to the information provided, Jinzhou Huari is a wholly foreign-owned enterprise established in the PRC with limited liability on 1 March 2004 and an indirect wholly-owned subsidiary of the Group.
7. We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
  - (a) Jinzhou Huari is the current registered owner of the building portion of the property and is entitled to use and occupy the same.
  - (b) The building portion of the property is free from any mortgages, charges and third party encumbrances.
  - (c) All consents and approvals granted by the relevant government authorities concerning the occupation of the building portion of the property have been obtained.
  - (d) Jinzhou City State-owned Land Resources Bureau (Taihe Branch) is entitled to lease the land portion of the property to Jinzhou Huari and the tenancy between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) and Jinzhou Huari is valid, effective and legally binding on both parties under the law of the PRC and has been registered with the relevant government authorities.



Property	Description	Particulars of occupancy	Market Value as at 30 November 2007
7. A parcel of land together with an industrial building occupied by Jinzhou Huachang Silicon Materials Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	<p>The property comprises a parcel of land together with a 2-storey building completed in 2002 erected thereon.</p> <p>The property has a site area and a gross floor area of approximately 3,570 sq.m. and 1,397.67 sq.m. respectively.</p>	<p>The land portion of the property is held under a tenancy for a term of twenty years commencing from 28 April 2007 to 28 April 2027 at an annual rent of RMB28,560.</p> <p>The property at present is occupied by the Group for production use.</p>	No commercial value

*Notes:*

1. Pursuant to a tenancy agreement entered into between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) (Party A) and Jinzhou Huachang Silicon Materials Co., Ltd. (Party B) dated 28 April 2007, the land portion of the property with a site area of approximately 3,570 sq.m. has been leased from Party A to Party B for a term of twenty years commencing from 28 April 2007 to 28 April 2027 for industrial use at an annual rent of RMB28,560.
2. Pursuant to a Building Ownership Certificate (Document No.: Cun Fang Zi Di No. 476), the ownership of the building portion of the property having a total gross floor area of approximately 1,397.67 sq.m. is vested in Jinzhou Huachang Silicon Materials Co., Ltd (“Jinzhou Huachang”).
3. Pursuant to a State-owned Land Use Right Ownership Certificate (Document No.: Jin Zhou Shi Tai He Qu Guo Yong (2007) Zi No. 02010), the land use right of the property having a site area of approximately 3,570 sq.m. has been leased to Jinzhou Huachang with an expiry date on 28 April 2027 for industrial use.
4. We have ascribed no commercial value to the property due to the fact that the land portion is leased by Jinzhou Huachang and is therefore not freely transferable in the open market, which results in the building portion of the property not having any commercial value in the open market. However, for indicative purpose, the depreciated replacement costs of the building portion of the property as at the date of valuation is circa RMB1,100,000 (equivalent to approximately HK\$1,158,000) assuming the land portion of the property is freely transferable in the open market.
5. According to the information provided, Jinzhou City State-owned Land Resources Bureau (Taihe Branch) is an independent third party, which is not connected with and is independent of, any of the directors, or any of their respective associates of the Group.
6. According to the information provided, Jinzhou Huachang is a wholly foreign-owned enterprise established in the PRC with limited liability on 11 June 2002 and an indirect wholly-owned subsidiary of the Group.
7. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
  - (a) Jinzhou Huachang is the current registered owner of the building portion of the property and is entitled to use and occupy the same.
  - (b) The building portion of the property is free from any mortgages, charges and third party encumbrances.
  - (c) All consents and approvals granted by the relevant government authorities concerning the occupation of the building portion of the property have been obtained.
  - (d) Jinzhou City State-owned Land Resources Bureau (Taihe Branch) is entitled to lease the land portion of the property to Jinzhou Huachang and the tenancy between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) and Jinzhou Huachang is valid, effective and legally binding on both parties under the law of the PRC and has been registered with the relevant government authorities.

Property	Description	Particulars of occupancy	Market Value as at 30 November 2007
8. A parcel of land together with an industrial building leased by Jinzhou Youhua New Energy Co., Ltd. located at No. 94 Jiefang Road West, Taihe District, Jinzhou City, Liaoning Province, the PRC	<p>The property comprises a parcel of land together with a single-storey building completed in 2005 erected thereon.</p> <p>The property has a site area and a gross floor area of approximately 1,536 sq.m. and 582 sq.m. respectively.</p>	<p>The land portion of the property is held under a tenancy for a term of twenty years commencing from 28 April 2007 to 28 April 2027 at an annual rent of RMB12,288.</p> <p>A building having a gross floor area of approximately 582 sq.m. is held under a tenancy for a term of 10 years commencing from 22 March 2005 to 21 March 2015 at an annual rent of RMB40,520.96.</p> <p>The property at present is occupied by the Group for industrial use.</p>	No commercial value

*Notes:*

1. Pursuant to a tenancy agreement entered into between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) (Party A) and Jinzhou Youhua New Energy Co., Ltd. (Party B) dated 28 April 2007, the land portion of the property with a site area of approximately 1,536 sq.m. has been leased from Party A to Party B for a term of twenty years commencing from 28 April 2007 to 28 April 2027 for industrial use at an annual rent of RMB12,288.
2. Pursuant to a tenancy agreement entered into between Jinzhou Xinhua Quartz and Glass (Group) Company Limited (Party A) and Jinzhou Youhua New Energy Co., Ltd. ("Jinzhou Youhua") (Party B) dated 22 March 2005, a building having a gross floor area of approximately 582 sq.m. has been leased from Party A to Party B for a term of 10 years commencing from 22 March 2005 to 21 March 2015 at an annual rent of RMB40,520.96.
3. Pursuant to a State-owned Land Use Right Ownership Certificate (Document No.: Jin Zhou Shi Tai He Qu Guo Yong (2007) Zi No. 02012), the land use right of the property having a site area of approximately 1,536 sq.m. has been leased to Jinzhou Youhua with an expiry date on 28 April 2027 for industrial use.
4. The tenancy agreement referred to in Note 2 above has been registered with the relevant government authorities vide Jin Fang Zu Zheng Di No. 0005035.
5. According to the information provided, Jinzhou Xinhua Quartz and Glass (Group) Company Limited is an independent third party, which is not connected with and is independent of, any of the directors, or any of their respective associates of the Group.
6. According to the information provided, Jinzhou Youhua is a wholly foreign-owned enterprise established in the PRC with limited liability on 25 March 2005 and an indirect wholly-owned subsidiary of the Group.

7. We have been provided with a legal opinion on the property prepared by the Group's PRC legal advisor, Jingtian & Gongcheng, which contains, *inter alia*, the following information:
- (a) Jinzhou City State-owned Land Resources Bureau (Taihe Branch) is entitled to lease the land portion of the property to Jinzhou Youhua and the tenancy between Jinzhou City State-owned Land Resources Bureau (Taihe Branch) and Jinzhou Youhua is valid, effective and legally binding on both parties under the law of the PRC and has been registered with the relevant government authorities.
  - (b) Jinzhou Xinhua Quartz and Glass (Group) Company Limited is entitled to lease the building of the property to Jinzhou Youhua and the tenancy between Jinzhou Xinhua Quartz and Glass (Group) Company Limited and Jinzhou Youhua is valid, effective and legally binding on both parties under the law of the PRC and has been registered with the relevant government authorities vide Jin Fang Zu Zheng Di No. 0005035.

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

Property	Description	Particulars of occupancy	Market Value as at 30 November 2007
9. Various rooms in Units 4001-4009, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong	<p>The property comprises various rooms in Units 4001-4009 on the 40th Floor of a 39-storey office tower erected on a podium of a 13-storey convention and exhibition centre and a 2-storey basement completed in 1990.</p> <p>The property has a total gross floor area of approximately 1,161 sq.ft. (107.86 sq.m.).</p>	<p>The property is leased from a connected party of the Group to Wealthy Rise International Limited for a term commencing from 1 September 2007 to 31 August 2009 at a monthly rent of HK\$54,584 inclusive of management fee, rates and electricity charges but exclusive of air-conditioning charges.</p> <p>The property is currently occupied by the Group for office use.</p>	No commercial value

*Notes:*

1. According to the Land Registry record, the current registered owner of the property is the landlord, Richzone Industries Limited, a connected party of the Group.
2. The property is subject to a mortgage in favour of Hang Seng Bank Limited vide memorial no. UB8428635 dated 18 June 2001.
3. The property is subject to a second mortgage in favour of Hang Seng Bank Limited vide memorial no. 06061401110012 dated 22 May 2006.
4. Consent of Hang Seng Bank Limited as mortgagee for the lease has been obtained.
5. According to the information provided, Wealthy Rise International Limited is an indirect wholly-owned subsidiary of the Group.

## Group IV – Property interest leased and occupied by the Group in Taiwan

Property	Description	Particulars of occupancy	Market Value as at 30 November 2007
10. 4th Floor, No. 39 Jihu Road, Neihu District, Taipei, Taiwan	<p>The property comprises the whole 4th Floor of a commercial building.</p> <p>The property has a gross floor area of approximately 386.55 sq.m. (4,160.82 sq.ft.).</p>	<p>The property is held under a tenancy for a term of 5 years commencing from 1 March 2007 to 29 February 2012. The monthly rent is detailed in note 1.</p> <p>The property is currently occupied by the Group for office use.</p>	No commercial value

*Notes:*

1. Pursuant to a tenancy agreement entered into between USI Corporation (台灣聚合化學品股份有限公司) ("the Landlord") and Solar Technology Investment (Cayman) Corp. ("Solartech") dated 1 May 2007, the property is leased by the Landlord to Solartech for a term of 5 years commencing from 1 March 2007 to 29 February 2012 at a monthly rent of NT\$188,959 exclusive of water, electricity, telephone, management and other charges for the first three years. The rental starting from the fourth year will be adjusted in accordance with the consumer price index to be promulgated by the Taiwan Executive Yuan every year.
2. According to the information provided, the Landlord is a party which indirectly holds 1.24% interest in the Company.
3. According to the information provided, Solartech is a company incorporated under the laws of the Cayman Islands with limited liability on 15 December 2006 and a wholly-owned subsidiary of the Group.
4. We have been provided with a legal opinion on the tenancy agreement of the property prepared by the Group's Taiwan legal advisor, Lee & Li Attorneys-At-Law, which contains, *inter alia*, the following information:
  - (a) The tenancy agreement entered into between the Landlord and Solartech is valid and enforceable by Solartech against the Landlord in accordance with its terms.
  - (b) There is no restriction for the Landlord to sublet the property to Solartech under the tenancy agreement between the registered owner of the property and the Landlord since the Landlord has informed the registered owner of the sub-letting as required.

## Group V – Property interest contracted to be leased by the Group in the PRC

Property	Description	Particulars of occupancy	Market Value as at 30 November 2007
11. No. 48 of Zone 2, No. 8228 Beijing Highway, Qingpu District, Shanghai City, the PRC	<p>The property comprises a parcel of land together with buildings and structures erected thereon.</p> <p>The property has a site area of approximately 10,000 sq.m. (15 mu).</p>	<p>The property is contracted to be leased to Shanghai Jingji for a term of 3 years commencing from the date of Shanghai Jingji choosing to occupy the property at an annual rent of RMB300,000.</p> <p>The property is currently vacant.</p>	No commercial value

*Notes:*

1. Pursuant to a tenancy agreement dated 2007 entered into between 上海晶盟硅材料有限公司 (“the Landlord”) and Shanghai Jingji Electron Material Co., Ltd. (“Shanghai Jingji”), the property is leased from the Landlord to Shanghai Jingji for a term of 3 years commencing from the date of Shanghai Jingji choosing to occupy the property at an annual rent of RMB300,000.
2. According to the information provided, the Landlord is a connected party of the Company.
3. According to the information provided, Shanghai Jingji is a Sino-foreign cooperative joint venture established in the PRC with limited liability on 16 March 1998 and a wholly-owned subsidiary of the Group.
4. We have been provided with a legal opinion on the property prepared by the Group’s PRC legal advisor, Jingtian & Gongcheng which contains, *inter alia*, the following information:
  - (a) The Landlord is the current registered owner of the property and is entitled to lease the property to Shanghai Jingji.
  - (b) The tenancy agreement between the Landlord and Shanghai Jingji is valid, effective and legally binding on both parties under the law of the PRC.
  - (c) The tenancy relationship will take formal effect when Shanghai Jingji has chosen the commencement date of the lease term under the tenancy agreement.
  - (d) The tenancy agreement shall have to be registered with the relevant government authorities upon the tenancy relationship taking formal effect.