

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this prospectus received from Sallmanns (Far East) Limited, an independent valuer, in connection with its valuation as at 30th September, 1999 of the property interests of the Group in Hong Kong and the PRC.



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

西
門

15/F Trinity House
165-171 Wanchai Road
Hong Kong
Tel: (852) 2169 6000
Fax: (852) 2528 5079

16th November, 1999

The Directors
China Agrotech Holdings Limited,
Room 2906, 29/F,
China Resources Building,
No.26 Harbour Road,
Wanchai,
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties in which China Agrotech Holdings Limited (the "Company"), and its subsidiaries (together the "Group") have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the relevant properties as at 30th September, 1999.

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

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;

- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

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

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

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

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

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

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

We have inspected the exterior and, where possible, the interior of the properties included in the attached valuation certificates, in respect of which we have been provided with such information as we have required for the purpose of our valuations. However, no structural survey has been made, but in the course of our inspection we did not note any apparent serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

No allowance has been made in our report for any expenses or taxation which may be incurred. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions, and outgoings of an onerous nature which could affect their value.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought and received confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

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

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

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

SUMMARY OF VALUE

GROUP I — PROPERTY INTEREST RENTED BY THE GROUP IN HONG KONG

| Property | Open market value attributable to the Group as at 30th September, 1999 HK\$ |
|---|--|
| 1. Room 2906, 29/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong | No commercial value |

GROUP II — PROPERTY INTERESTS RENTED BY THE GROUP IN THE PRC

| | |
|---|---------------------|
| 2. 2/F, 36 Xi Yuan Street, Xi Yuan Village, Jin An District, Fu Zhou City, Fujian Province, The PRC | No commercial value |
| 3. Unit 7C, Block 10, Zone 1, Rong Qiao Garden, Wu Si Bei Road, Fu Zhou City, Fujian Province, The PRC | No commercial value |
| 4. Various buildings located at Lian Yue Road North, Xiamen City, Fujian Province, The PRC | No commercial value |
| 5. South-East corner of Floor 24, Zhong Shan Building, 154, Hudong Road, Fu Zhou City, Fujian Province, The PRC | No commercial value |

VALUATION CERTIFICATE

GROUP I — PROPERTY INTEREST RENTED BY THE GROUP IN HONG KONG

| Property | Description and tenure | Particulars of occupancy | Open market value attributable to the Group as at 30th September, 1999 <i>HK\$</i> |
|---|---|---|--|
| 1. Room 2906, 29/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong | <p>The property comprises an office accommodation on the 29th Floor of a 50-storey commercial building completed in about 1983.</p> <p>The property has an area of 2,201 sq.ft. or thereabouts.</p> <p>The property is rented by the Topmart Limited, a subsidiary of the Group, for a term of 2 years commencing from 6th September, 1999 (including rent-free periods from 6th September, 1999 to 5th November, 1999 and from 6th September, 2000 to 5th November, 2000) at a monthly rental of HK\$41,819 exclusive of rates, management fee and air-conditioning charges.</p> | The property is currently occupied by the Company as an office. | No commercial value |

GROUP II — PROPERTY INTERESTS RENTED BY THE GROUP IN THE PRC

| Property | Description and tenure | Particulars of occupancy | Open market value attributable to the Group as at 30th September, 1999 <i>HK\$</i> |
|---|--|---|---|
| 2. 2/F, 36 Xi Yuan Street, Xi Yuan Village, Jin An District, Fuzhou City, Fujian Province, The PRC | <p>The property comprises a research institute on the 2/F of a 3-storey building completed in about 1983.</p> <p>The property has a total gross floor area of 396 sq.m. or thereabouts.</p> <p>The property is rented by Fuzhou Topmart Plant Growth Co. Ltd., a subsidiary of the Group, for a term of 5 years from 1st August, 1999 to 30th July, 2004 at an monthly rental of RMB 8,000.</p> | The property is currently occupied by Fuzhou Topmart Plant Growth Co. Ltd. as a research institute. | No commercial value |
| 3. Unit 7C, Block 10, Zone 1, Rong Qiao Garden, Wu Si Bei Road, Fuzhou City, Fujian Province, The PRC | <p>The property comprises an office accommodation on the 7/F of a 7-storey building completed in about 1995.</p> <p>The property has a total gross floor area of 129 sq.m. or thereabouts.</p> <p>The property is rented by Fuzhou Topmart Plant Growth Co. Ltd., a subsidiary of the Group, for a term of 3 years from 1st September, 1999 to 31st August, 2002 at an monthly rental of RMB 2,500.</p> | The property is currently occupied by Fuzhou Topmart Plant Growth Co. Ltd. as an office. | No commercial value |
| 4. Various buildings located at Lian Yue Road North, Xiamen City, Fujian Province, The PRC | <p>The property comprises a factory, a laboratory and a dormitory building with a total gross floor area of 1,485 sq.m. or thereabouts.</p> <p>The property is rented by Xiamen Genben Fine Chemical Industry Co. Ltd., a subsidiary of the Group, for a term of 6 years from 25th June, 1998 to 24th June, 2004 at a monthly rental of RMB 16.5 per sq.m. which is then subject to an increment of 5% every other year.</p> | The property is currently occupied by Xiamen Genben Fine Chemical Industry Co. Ltd. for manufacturing purposes. | No commercial value |

| Property | Description and tenure | Particulars of occupancy | Open market value attributable to the Group as at 30th September, 1999 <i>HK\$</i> |
|---|--|--|--|
| 5. South-East corner of Floor 24, Zhong Shan Building, 154, Hudong Road, Fuzhou City, Fujian Province, The PRC | The property comprises an office accommodation with a total gross floor area of 115 sq.m. or thereabouts. The property is rented by Fuzhou Topmart Plant Growth Co. Ltd., a subsidiary of the Group for a term of 1 years from 1st August, 1999 to 1st August, 2000 at a monthly rental of RMB 50 per sq.m. | The property is currently occupied by Fuzhou Topmart Plant Growth Co. Ltd. for office purposes. | No commercial value |