

GREATER CHINA APPRAISAL LIMITED

漢華評值有限公司

2407 Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

29th June, 2001

The Directors
Goldigit Atom-tech Holdings Limited
Unit 908
9th Floor
K. Wah Centre
No. 191 Java Road
North Point
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests of Goldigit Atom-tech Holdings Limited (referred to as the “Company”), and its subsidiaries (together referred to as the “Group”) in Hong Kong and the People’s Republic of China (referred to as the “PRC”), we confirm that we have carried out inspections, made relevant enquires and obtained such further information as we consider necessary for the purpose of providing the capital values of such property interests as at 31st March, 2001 (referred to as the “date of valuation”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, titleship of properties and the limiting conditions.

Basis of Valuation

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

- (i) a willing seller;
- (ii) 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;
- (iii) 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;

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

Assumptions

Our valuation has been made on the assumption that in the open market the Group sells the property interests in their continued use and in their existing states without the benefit of any deferred terms, contracts, leaseback, joint ventures, management agreements or any similar arrangements which would serve to increase the value of the property interests.

We have assumed that all consents, approvals and licenses from relevant government authorities for the buildings and structures erected thereon have been granted. Also, we have assumed that all buildings and structures falling within the site are held by the owner or permitted to be occupied by the owner.

We have assumed that all necessary mortgagees' consent to the creation of the tenancy over the properties have been obtained and are still subsisting.

Titleship Investigation

We have not been provided with any copies of title documents regarding the properties under valuation but have been given copies of the tenancy agreements. We have caused searches to be made at the Land Registry in Hong Kong for the property 1. However, no investigation has been made for the legal title or any liabilities attached to the properties in the PRC.

All legal documents disclosed in this report are for reference only and no responsibility is assumed for any legal matters concerning the legal title of the property interests set out in this report.

Limiting Conditions

We have not carried out detailed site measurements to verify the correctness of the land or building areas in respect of the relevant properties but have assumed that the areas shown on the legal documents provided 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 documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

We have inspected the exterior and, where possible, the interior of certain properties included in the attached valuation certificate. However, no structural survey has been made and we are therefore unable to report as to whether the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us by it on such matters as planning approvals, statutory notices, easements, tenure, occupation, rentals, site and floor areas and in the identification of those properties in which the Group has valid interests. 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 to reach an informed view, and have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation 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 all the interests are free of encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Opinion of Value

The property interests included in this valuation report, which are held under various tenancy agreements, have no commercial value due to inclusion of non-alienation clause or otherwise due to lack of substantial profit rent or short term nature.

Remarks

Our valuations have been prepared in accordance with generally accepted valuation procedures and comply with the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

All property values are denominated in Hong Kong Dollars.

We enclose herewith the summary of valuation and valuation certificate.

This valuation report is issued subject to our General Service Conditions.

Yours faithfully,
For and on behalf of
Greater China Appraisal Limited
K. K. Ip
BLE, ARICS, AHKIS, RPS(GP)
Managing Director

Note: Mr. K. K. Ip, who is a Chartered Valuation Surveyor and a Registered Professional Surveyor, has substantial experience in valuation of properties in Hong Kong and the PRC since 1992.

VALUATION SUMMARY**Group I – Property rented by the Group in Hong Kong**

No.	Property	Capital value in Existing state as at 31st March, 2001
1.	Unit 908 9th Floor, K. Wah Centre No. 191 Java Road North Point Hong Kong	No commercial value

Group II – Property rented by the Group in The People’s Republic of China

2.	7th Floor and Portion of 5th Floor Guangyuan Building No. 10 Xihuanbei Road Gu Lou District Fuzhou Fujian Province The People’s Republic of China	No commercial value
3.	Level 1 No. 388 Tongpan Road Gu Lou District Fuzhou Fujian Province The People’s Republic of China	No commercial value

Total: No commercial value

VALUATION CERTIFICATE

Group I – Property rented by the Group in Hong Kong

No. Property	Description and Tenure	Particular of Occupancy	Capital value in Existing state as at 31st March, 2001
1. Unit 908 9th Floor, K. Wah Centre No. 191 Java Road North Point Hong Kong	<p>The property comprises an office unit within a commercial building completed in 1991.</p> <p>The gross floor area of the property is approximately 135 square metres (1,460 square feet).</p> <p>The property is held by the Group under a tenancy agreement for a term of 2 years commencing from 1st April, 2001 to 31st March, 2003 with a rent free period of 10 days from 1st April, 2001 to 10th April, 2001 at a monthly rent of HK\$26,298 exclusive of rates and management fees.</p>	The property is currently occupied by the Group as office.	No commercial value

Group II – Property rented by the Group in The People’s Republic of China

No. Property	Description and Tenure	Particular of Occupancy	Capital value in Existing state as at 31st March, 2001
2. 7th Floor and Portion of 5th Floor Guangyuan Building No. 10 Xihuanbei Road Gu Lou District Fuzhou Fujian Province The People’s Republic of China	<p>The property comprises two office units within a 7-storey commercial building.</p> <p>The gross floor area of the property is approximately 880 square metres (9,471 square feet).</p> <p>The property is held by the Group under a tenancy agreement for a term of 10 years commencing from 1st August, 2000 to 31st July, 2010 at a monthly rental of RMB8,800 exclusive of management fees, with 1% increment on monthly rent per annum.</p>	The property is currently occupied by the Group as office, production and product development.	No commercial value
3. Level 1 No. 388 Tongpan Road Gu Lou District Fuzhou Fujian Province The People’s Republic of China	<p>The property comprises a floor of warehouse within a 5-storey complex building.</p> <p>The gross floor area of the property is approximately 200 square metres (2,153 square feet).</p> <p>The property is held by the Group under a tenancy agreement for a term of 10 months commencing from 1st March, 2001 to 31st December, 2001 at a monthly rental of RMB1,600.</p>	The property is currently occupied by the Group as warehouse.	No commercial value