

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this prospectus, received from Chesterton Petty Limited, independent property valuers, in connection with their valuation as at 31 October 2001 of the property interest of the Group.



International Property Consultants

Chesterton Petty Ltd
16th Floor, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

27 November 2001

The Directors
Eco-Tek Holdings Limited
Flat B
Ground Floor
Fu Hop Factory Building
Nos. 209 and 211
Wai Yip Street
Kowloon
Hong Kong

Dear Sirs

In accordance with your instructions for us to value the property interest held by Eco-Tek Holdings Limited (the “Company”) or its subsidiaries (collectively the “Group”), we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the open market value of the property interest as at 31 October 2001.

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 valuation has been made on the assumption that the owner sells the property interest on the open market 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 property interest. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interest and no forced sale situation in any manner is assumed in our valuation.

The property interest is leasehold interest held by the Group and is assigned no commercial value mainly due to its short term nature, the prohibition against assignment or the lack of substantial profit rent.

We have been provided with a copy of the tenancy agreement for the property interest and we have caused land searches to be made. We have not, however, scrutinised the original document to verify ownership or to ascertain the existence of any amendment which does not appear on the copy handed to us.

We have relied to a very considerable extent on information given by you and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, letting, floor area and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the document provided to us and are therefore only approximations.

We have inspected the exterior of the property valued and, where possible, we have also inspected the interior of the premises. In the course of our inspection, we did not note any serious defect. However, no structural survey has been made and we are therefore unable to report whether the property is free from rot, infestation or other structural defect. No tests were carried out on any of the services.

No allowance has been made in our report for any charge, mortgage or amount owing on the property interest nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We enclose herewith our valuation certificate.

Yours faithfully
For and on behalf of
Chesterton Petty Limited
Charles C K Chan
MSc FRICS FHKIS MCIArb RPS(GP)
Executive Director

VALUATION CERTIFICATE

Property	Description and tenancy particulars	Particulars of occupancy	Open market value in existing state as at 31 October 2001
Flat B on Ground Floor Fu Hop Factory Building 209 and 211 Wai Yip Street Kwun Tong Kowloon	<p data-bbox="287 417 694 474">Fu Hop Factory Building is a 13-storey industrial building completed in 1965.</p> <p data-bbox="287 506 694 617">The property comprises a factory unit on the Ground Floor of the building with a saleable area of approximately 485.23 sq.m. (5,223 sq.ft.).</p> <p data-bbox="287 653 694 848">The property is held by the Group under a tenancy agreement for a term of 1 year from 9 January 2001 to 8 January 2002 at a monthly rent of HK\$42,000 exclusive of Government rent, rates and management charges with an option to renew for a further term of 1 year.</p>	<p data-bbox="740 417 990 499">The property is occupied by the Group as factory and general office.</p>	<p data-bbox="1024 417 1198 474">No commercial value</p>

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 6 December 2000 under the Companies Law. The Memorandum of Association (the “Memorandum”) and the Articles of Association (the “Articles”) comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law of the world whether as principal, agent, contractor or otherwise whatever may be and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 21 November 2001. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Law, the rules