

29 June 2010

The Directors  
Topsearch International (Holdings) Ltd.  
Unit 3406, 34/F  
China Merchants Tower  
Shun Tak Centre  
Nos. 168-200 Connaught Road Central  
Hong Kong

Dear Sirs,

### **Instructions, Purpose & Date of Valuation**

In accordance with your instructions for us to value the properties in which Topsearch International (Holdings) Ltd. (referred to as the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have property interests in Hong Kong and the People's Republic of China (the "PRC") (as more particularly described in the valuation certificates), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary to provide you with our opinion of the values of such properties as at 31 May 2010 (the "date of valuation").

### **Definition of Market Value**

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors is defined as "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".

### **Valuation Basis and Assumptions**

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

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

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In the course of our valuation of the properties in the PRC, we have assumed that, unless otherwise stated, the transferable land use rights of the properties for their respective terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the information provided by the Group and the advice provided by Wang Jing & Co., the Group's legal advisor, regarding the title to each of the properties and the interests of the Group in the properties. In valuing the properties, we have assumed that the Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted.

In valuing property No. 2, we have taken into account the advice from the Group that the Group has obtained the Real Estate Title Certificate in respect of the land use rights of property No. 2. By virtue of the Real Estate Title Certificate, the land use rights of property No. 2 have been granted to the Group for a term of 50 years from 15 September 2000 to 14 September 2050 and during the said term, the Group is entitled to occupy and use property No. 2 for industrial purpose. According to applicable rules and regulations, as the land use rights are granted for the use of new and high technology purposes, the land premium paid by the Group for acquisition of the land use rights was a concessionary land premium rather than a full land premium. Property No. 2 is prohibited from sale whilst mortgage or lease of the same shall be subject to compliance with the relevant regulations. If the Group intends to sell, transfer or lease property No. 2, it shall have to obtain the relevant land administration authorities' approval and pay the shortfall of the full land premium in advance and attend to the relevant procedures. We have, in arriving at our opinion on the market value of property No. 2, assumed that the aforesaid restriction on alienation has been removed and the Group has obtained transferable land use rights in respect of property No. 2 for a specific land use term at nominal annual land use fee and all requisite land premium for transferable land use rights have been fully settled.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates approvals and licences, in accordance with the information provided by the Group are set out in the notes of the respective valuation certificates.

The tax liabilities for disposal of property interests in the PRC comprises of business tax, stamp duty, land appreciation tax and enterprise income tax (if any). The Group advises that in respect of the properties held and occupied by the Group in the PRC under Group I of the summary of valuations, the potential tax liabilities is estimated to be approximately RMB47.5 million would arise if such properties were to be sold at the amount of the valuations. The proportion percentage of the potential tax liabilities for business tax, stamp duty, land appreciation tax and enterprise income tax are 69.88%, 0.70%, 11.67% and 17.75% respectively. Depending on the then sales status, there is less likelihood of such tax liability referred to above for those properties being crystallized, as the Group has no plan yet for the disposal of such property interests. The above amounts are for indicative purposes and are calculated based on prevailing rules and information available as at the Latest Practicable Date.

No allowance has been made in our valuations 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 outgoing of an onerous nature which could affect their values.

Our valuations are each on an entire interest basis.

### **Method of Valuation**

In valuing the properties in Group I which are held and occupied by the Group in the PRC, We have valued the properties by the Depreciated Replacement Cost (“DRC”) Approach due to the special nature of buildings that there is no readily identifiable market sale comparable and the building cannot be valued by comparable market transactions. The DRC Approach requires a valuation of the market value of the land in its existing use and an estimate of the new replacement cost of the buildings and structures from which deductions are then made to allow for the age, condition and functional obsolescence. The DRC Approach generally furnishes the most reliable indication of value of property in the absence of a known market based on comparable sales. In arriving at our opinion of the market value of the land, we have valued it by Direct Comparison Approach by making reference to the comparable sale evidences in the relevant locality. The DRC is subject to adequate potential profitability of the business.

For properties in Group II, which are rented and occupied by the Group in Hong Kong are considered to have no commercial value due mainly to the prohibition against assignment and subletting or otherwise to the lack of substantial profit rents.

### **Source of Information**

We have been provided by the Group with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group in respect of the properties in the PRC and have accepted advise given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

### **Title Investigation**

We have been provided with extracts of documents relating to the titles of the properties in the PRC, but no searches have been made in respect of the properties. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Group regarding the Group’s interests in the PRC properties.

Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

### **Site Inspection**

We have inspected the exterior and, wherever possible, the interior of the properties. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the area shown on the documents handed to us are correct.

### Currency

Unless otherwise stated, all money amounts indicated herein our valuations are in Renminbi (RMB), official currency of the PRC. The exchange rate adopted in our valuation is HK\$1=RMB0.8762 which was the approximate exchange rate prevailing as at the date of valuation.

We enclose herewith a summary of our valuations and our valuation certificates.

Yours faithfully,  
for and on behalf of  
**DTZ Debenham Tie Leung Limited**



**Andrew K.F. Chan**

Registered Professional Surveyor (GP)

Registered China Real Estate Appraiser

*MSc., M.H.K.I.S., M.R.I.C.S.*

**Director**

*Note: Mr. Andrew Chan is a Registered Professional Surveyor who has over 22 years' of experience in the valuation of properties in Hong Kong and the PRC.*

**SUMMARY OF VALUATIONS**

<b>Property</b>	<b>Capital value in existing state as at 31 May 2010 (RMB)</b>
<b>Group I - Properties held and occupied by the Group in the PRC</b>	
1. Major portions of Block No. 5 of Xinghua Industrial Building, Nanhai Avenue, Shekou, Nanshan District, Shenzhen City, Guangdong Province, the PRC  (中国广东省深圳市南山区蛇口南海大道兴华工业大厦5栋大部分)	49,740,000
2. Topsearch Building, east of Industry Avenue and west of Liyuan Road, Shekou, Nanshan District, Shenzhen City, Guangdong Province, the PRC  (中国广东省深圳市南山区蛇口工业大道东荔园路西至卓飞高大楼)	173,300,000
3. Topsearch Industrial Complex, Baitu Industrial Zone, Baitu Town, Qujiang District, Shaoguan City, Guangdong Province, the PRC  (中国广东省韶关市曲江区白土镇白土工业城至卓飞高工业厂房)	248,200,000
4. An industrial complex located in Phase II of Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia Autonomy, the PRC  (中国内蒙古自治区通辽市通辽经济技术开发区二期的一座工业厂房)	192,700,000
Sub - total of Group I :	<hr/> 663,940,000
<b>Group II - Properties rented and occupied by the Group in Hong Kong</b>	
5. Unit 3406, 34/F, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong  (香港干诺道中168至200号信德中心招商局大厦34楼3406单元)	No commercial value
6. Workshop A on 13/F, Block 2, Koon Wah Mirror Factory (6 <sup>th</sup> ) Industrial Building, Nos. 7 to 9 Ho Tin Street, Tuen Mun, Hong Kong  (香港屯门河田街7至9号冠华镜厂(第六)工业大厦第二座13楼A号单位)	No commercial value
7. Workshops C and D on 15/F, Block 2, Koon Wah Mirror Factory (6 <sup>th</sup> ) Industrial Building, Nos. 7 to 9 Ho Tin Street, Tuen Mun, Hong Kong  (香港屯门河田街7至9号冠华镜厂(第六)工业大厦第二座15楼C及D号单位)	No commercial value
Sub - total of Group II :	<hr/> No commercial value
<b>Grand total of Groups I and II :</b>	<hr/> <b>663,940,000</b>

**VALUATION CERTIFICATE**

**Group I - Properties held and occupied by the Group in the PRC**

<b>Property</b>	<b>Description and tenure</b>	<b>Particulars of occupancy</b>	<b>Capital value in existing state as at 31 May 2010</b>
1. Major portions of Block No. 5 of Xinghua Industrial Building, Nanhai Avenue, Shekou, Nanshan District, Shenzhen City, Guangdong Province, the PRC  (中国广东省深圳市南山区蛇口南海大道兴华工业大厦5栋大部分)	<p>The property comprises major portions of an 8-storey industrial building known as Block No. 5 of Xinghua Industrial Building erected on a parcel of land with a total site area of approximately of 13,137.80 sq m.</p> <p>Completed in 1985, the property has a total gross floor area of approximately 37,489.75 sq m.</p> <p>The property is held with land use rights for a term of 30 years from 9 June 1984 to 9 June 2014 for industrial and storage uses.</p>	The property is occupied by the Group as workshop.	RMB49,740,000

*Notes :-*

- (1) According to fourteen Real Estate Title Certificates issued by the Shenzhen People's Government, the land use rights and ownership of the following portions of the building known as Block No. 5 of Xinghua Industrial Building (兴华工业大厦5栋) have been vested in 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.) (100% owned subsidiary of the Company) for a term due to expire on 9 June 2014 for industrial and storage use with a common site area of approximately 13,137.8 sq m and the details are set out as follows:

Certificate No.	Date of issue	Portion of Block No. 5 Xinghua Industrial Building	Gross floor area (sq m)
6018640	6 Mar 1998	Portion D on Levels 1 and 2	4,545.00
4000002534	3 June 1998	Portion E on Level 1	1,979.85
4000002533	3 June 1998	Portion E on Level 2	2,519.90
6016731	4 Nov 1997	Portions A and B on Level 3	3,333.50
4000035404	5 Sept 2000	Portion C on Level 3	1,712.50
6016728	4 Nov 1997	Portion D on Level 4	2,526.00
4000003328	25 June 1998	Portion E on Level 4	2,520.00
6016729	16 Dec 1997	Portion D on Level 5	2,526.00
4000006213	18 Aug 1998	Portion E on Level 5	2,520.00
4000035405	5 Sept 2000	Portion B on Level 6	1,850.00
4000025759	24 Aug 1999	Portion G on Level 6	1,365.00
4000025760	7 Sept 1999	Portions A, B & C on Level 7	5,046.00
4000035406	5 Sept 2000	Portion D on Level 8	2,526.00
4000003325	N/A	Portion E on Level 8	2,520.00
Total			37,489.75

- (2) According to Business Licence No. 440301503313020 dated 16 June 2008, 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.) was established as a foreign enterprise with a registered capital of USD50,000,000 and an operating period from 25 September 1987 to 25 September 2057.
- (3) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, inter alia, the following information :
- (i) The Real Estate Title Certificates are valid, legal and enforceable under the PRC laws;
- (ii) The land use rights and building ownership of the property, comprising a site area of 13,137.8 sq m and a gross floor area of 37,489.75 sq m have been vested in 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.); and
- (iii) 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.) has the right to freely occupy, use lease, transfer, mortgage and dispose of the land use rights and building ownership of the property.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided to us are as follows:-

Real Estate Title Certificates	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 May 2010
2. Topsearch Building, east of Industry Avenue and west of Liyuan Road, Shekou, Nanshan District, Shenzhen City, Guangdong Province, the PRC  (中国广东省深圳市南山区蛇口工业大道东荔园路西至卓飞高大楼)	The property comprises an 8-storey industrial building plus 3 levels of basement, known as Topsearch Building, erected on a parcel of land with a total site area of approximately of 11,208.50 sq m.  Completed in 2004, the building has a total gross floor area of approximately 40,101.35 sq m.  The property is held with land use rights for a term of 50 years from 15 September 2000 to 14 September 2050 for industrial use.	The property is occupied by the Group as workshop and ancillary office.	RMB173,300,000

Notes :-

- (1) According to Real Estate Title Certificate No. 4000200804 issued by Shenzhen Real Estate Registration Centre, the land use rights and ownership of the building known as Topsearch Building (至卓飞高大楼) have been vested in 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.) for a term of 50 years due to expire on 14 September 2050 for industrial use with a site area of approximately 11,208.5 sq m and a total gross floor area of approximately 40,101.35 sq m.

The property is prohibited from sale whilst any lease or mortgage of the property shall be subject to compliance with relevant regulations.

In the course of our valuation, we have taken into account the advice from the Group (see Note (2) below) and have assumed that the aforesaid restriction on alienation has been removed and Topsearch Printed Circuits (Shenzhen) Ltd. has obtained transferable land use rights in respect of the property for a specific land use term at nominal annual land use fee and all requisite land premium for such transferable land use rights have been fully settled. We have also assumed that Topsearch Printed Circuits (Shenzhen) Ltd. is entitled to freely transfer, mortgage or lease the property without payment of any additional land premium.

- (2) The Group's advice is summarized below: -
- (i) Topsearch Printed Circuits (Shenzhen) Ltd. has paid all requisite land premium for the use and occupation of the land. During the aforesaid land use term granted, Topsearch Printed Circuits (Shenzhen) Ltd. is entitled to occupy and use of the property but the same is prohibited from sale whilst mortgage or lease of the property shall be subject to compliance with relevant regulations;



- (ii) According to the relevant rules and regulations in Shenzhen, land premium for the grant of land use rights for the use of new and high technology purposes would be at a concessionary rate rather than a full land premium and sale of such kind of land shall be subject to the approval of the relevant land administration authorities and payment of the shortfall of the full land premium. The land use rights of the property have been granted to Topsearch Printed Circuits (Shenzhen) Ltd. for new and high technology uses at a concessionary land premium under such rules and regulations. If Topsearch Printed Circuits (Shenzhen) Ltd. intends to transfer, mortgage or lease the property, it shall have to apply for approval of the relevant land administration authorities and complete the relevant procedures and settle the shortfall of the full land premium in advance. The amount of shortfall is approximately RMB20.2 million.
  - (iii) Upon the approval of relevant land administration authorities and completion of the relevant procedures as well as settlement of the aforesaid shortfall of the full land premium, Topsearch Printed Circuits (Shenzhen) Ltd. shall be entitled to freely transfer, mortgage and lease the property. Provided that the approval and registration requirements have been fulfilled, there shall be no legal impediment for Topsearch Printed Circuits (Shenzhen) Ltd. to complete the above-mentioned procedures.
- (3) According to Business Licence No. 440301503313020 dated 16 June 2008, 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.) was established as a foreign enterprise with a registered capital of USD50,000,000 and an operating period from 25 September 1987 to 25 September 2057.
- (4) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, inter alia, the following information :
- (i) The Real Estate Title Certificate is valid, legal and enforceable under the PRC laws;
  - (ii) The land use rights and building ownership of the property, comprising a site area of 11,208.5 sq m and a total gross floor area of approximately 40,101.35 sq m have been vested in 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.); and
  - (iii) 至卓飞高线路板(深圳)有限公司 (Topsearch Printed Circuits (Shenzhen) Co., Ltd.) has the right to freely occupy, use lease, transfer, mortgage and dispose of the land use rights and building ownership of the property subject to fulfilling the procedures and obtaining the relevant approvals stated in Note (2).
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided to us are as follows:-

Real Estate Title Certificate	Yes
Business Licence	Yes

**VALUATION CERTIFICATE**

<b>Property</b>	<b>Description and tenure</b>	<b>Particulars of occupancy</b>	<b>Capital value in existing state as at 31 May 2010</b>																								
3. Topsearch Industrial Complex, Baitu Industrial Zone, Baitu Town, Qujiang District, Shaoguan City, Guangdong Province, the PRC  (中国广东省韶关市曲江区白土镇白土工业城至卓飞高工业厂房)	<p>The property comprises an industrial complex erected upon a parcel of industrial land with a total site area of approximately 134,700 sq m. These buildings were completed during the period between 2006 and 2008.</p> <p>The property comprises ten buildings of 1 to 7 storeys and has a total gross floor area of approximately 94,470.35 sq m with the following details :</p> <table border="1"> <thead> <tr> <th><b>Building</b></th> <th><b>Approximate gross floor area (sq m)</b></th> </tr> </thead> <tbody> <tr><td>Workshop No. 1</td><td>33,916.00</td></tr> <tr><td>Workshop No. 2</td><td>26,128.15</td></tr> <tr><td>Warehouse</td><td>4,550.00</td></tr> <tr><td>Canteen</td><td>2,023.84</td></tr> <tr><td>Staff quarters No. 1</td><td>4,642.06</td></tr> <tr><td>Staff quarters No. 2</td><td>4,642.06</td></tr> <tr><td>Staff quarters No. 3</td><td>4,642.06</td></tr> <tr><td>Staff quarters No. 4</td><td>4,642.06</td></tr> <tr><td>Staff quarters No. 5</td><td>4,642.06</td></tr> <tr><td>Staff quarters No. 6</td><td>4,642.06</td></tr> <tr><td><b>Total</b></td><td><b>94,470.35</b></td></tr> </tbody> </table>	<b>Building</b>	<b>Approximate gross floor area (sq m)</b>	Workshop No. 1	33,916.00	Workshop No. 2	26,128.15	Warehouse	4,550.00	Canteen	2,023.84	Staff quarters No. 1	4,642.06	Staff quarters No. 2	4,642.06	Staff quarters No. 3	4,642.06	Staff quarters No. 4	4,642.06	Staff quarters No. 5	4,642.06	Staff quarters No. 6	4,642.06	<b>Total</b>	<b>94,470.35</b>	The property is occupied by the Group as workshop and staff dormitory.	RMB248,200,000
<b>Building</b>	<b>Approximate gross floor area (sq m)</b>																										
Workshop No. 1	33,916.00																										
Workshop No. 2	26,128.15																										
Warehouse	4,550.00																										
Canteen	2,023.84																										
Staff quarters No. 1	4,642.06																										
Staff quarters No. 2	4,642.06																										
Staff quarters No. 3	4,642.06																										
Staff quarters No. 4	4,642.06																										
Staff quarters No. 5	4,642.06																										
Staff quarters No. 6	4,642.06																										
<b>Total</b>	<b>94,470.35</b>																										

The property is held with land use rights for a term due to expire on 28 November 2056 for industrial use.

Notes :-

- (1) According to Contract for Grant of Land Use Rights No. 440205-2006-000038 entered into between Shaoguan City Qujiang District Land Resource Bureau (韶关市曲江区国土资源局) (the "Grantor") and 至卓飞高线路板(曲江)有限公司 (Topsearch Printed Circuits (Qujiang) Co. Ltd.) (100% owned subsidiary of the Company) (the "Grantee") on 28 November 2006, the Grantor has granted the land use rights of a parcel of land to the Grantee. The salient conditions as stipulated in the contract are summarized as follows:

Location	:	Baitu Industrial Zone, Baitu Town, Qujiang District
Site Area	:	134,700 sq m
Land Use	:	Industrial
Land Use Term	:	50 years

- (2) According to State-owned Land Use Rights Certificate No. (2006)00115 issued by Shaoguan City Qujiang District Land Resources Bureau (韶关市曲江区国土资源局), the land use rights of the property located at Baitu Industrial Zone, Baitu Town, Qujiang District comprising a total site area of 134,700 sq m have been vested in 至卓飞高线路板(曲江)有限公司 (Topsearch Printed Circuits (Qujiang) Co. Ltd.) for a term due to expire on 28 November 2056 for industrial use.
- (3) According to ten Real Estate Title Certificates issued by People's Government of Qujiang District of Shaoguan City (韶关市曲江区人民政府), the land use rights and building ownership of the property are vested in 至卓飞高线路板(曲江)有限公司 (Topsearch Printed Circuits (Qujiang) Co. Ltd.). The land use rights of the property have been granted for a term of 50 years due to expire on 28 November 2056 for industrial use. The details are as follows:

Certificate No.	Name	No. of storey	Gross Floor Area (sq m)
C5364244	Workshop No. 1	1	33,916.00
C5368103	Workshop No. 2	1	26,128.15
C4619046	Warehouse	1	4,550.00
C5364239	Canteen	2	2,023.84
C5364240	Staff quarters No. 1	7	4,642.06
C5364241	Staff quarters No. 2	7	4,642.06
C5364242	Staff quarters No. 3	7	4,642.06
C5364243	Staff quarters No. 4	7	4,642.06
C4619083	Staff quarters No. 5	7	4,642.06
C4619082	Staff quarters No. 6	7	4,642.06
<b>Total</b>			<b>94,470.35</b>

- (4) According to Business Licence No. 440200400002099 dated 13 March 2008, 至卓飞高线路板(曲江)有限公司 (Topsearch Printed Circuits (Qujiang) Co. Ltd.) was established with a registered capital of USD62,000,000 for a valid operation period from 24 September 2003 to 23 September 2053.

- (5) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, inter alia, the following information :
- (i) The Real Estate Title Certificates are valid, legal and enforceable under the PRC laws;
  - (ii) The land use rights and building ownership of the property, comprising a site area of 134,700 sq m and a gross floor area of 94,470.35 sq m have been vested in 至卓飞高线路板(曲江)有限公司 (Topsearch Printed Circuits (Qujiang) Co. Ltd.); and
  - (iii) 至卓飞高线路板(曲江)有限公司 (Topsearch Printed Circuits (Qujiang) Co. Ltd.) has the right to freely occupy, use lease, transfer, mortgage and dispose of the land use rights and building ownership of the property.
- (6) The status of the title and grant of major approvals and licences in accordance with the information provided to us are as follows:-
- |   |     |
|---|-----|
| Contract for Grant of State-owned Land Use Rights | Yes |
| State-owned Land Use Rights Certificate           | Yes |
| Real Estate Title Certificates                    | Yes |
| Business Licence                                  | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 May 2010
4. An industrial complex located in Phase II of Tongliao Economic Technology Development Zone, Tongliao City, Inner Mongolia Autonomy the PRC  (中国内蒙古自治区通辽市通辽经济技术开发区二期的一座厂房)	<p>The property comprises an industrial complex erected on a parcel of land with a site area of approximately 230,667.82 sq m.</p> <p>The property comprises five industrial/dormitory buildings of single to 4 storeys having a total gross floor area of 86,198.72 sq m. These buildings were completed in 2008.</p> <p>The property is held with land use rights for a term due to expire on 23 April 2055 for industrial use.</p>	As at the time of inspection, the property was vacant.	RMB192,700,000

Notes :-

- (1) According to State-owned Land Use Rights Certificate No. (2005) 100 issued by Land Resources Bureau of Tongliao Economic Technology Development Zone on 11 December 2005, the land use rights of the property, comprising a site area of 230,667.82 sq m, have been vested in 至卓飞高线路板(通辽)有限公司 (Topsearch Printed Circuits (Tongliao) Ltd.) (100% owned subsidiary of the Company) for a term due to expire on 23 April 2055 for industrial use.
- (2) According to Planning Permit for Construction Works No. 2005 (23) issued by Construction and Planning Bureau of Tongliao Economic Technology Development Zone on 5 June 2005, the construction works of the property, with a gross floor area of 86,363.36 sq m, are in compliance with the construction works requirements and have been approved.
- (3) According to Permit for Commencement of Construction Works No 2005 (51) issued by Construction and Planning Bureau of Tongliao Economic Technology Development Zone on 1 July 2005, the construction works of the property, located at the north side of Liaohe Avenue, west side of Xiamen Road, with a gross floor area of 86,363.36 sq m, are in compliance with the requirements for works commencement and have been permitted.

According to the information provided by the Group, the property has a total gross floor area of approximately 86,198.72 sq m. In the course of our valuation, we have adopted this figure.

- (4) As advised by the Group, Building Ownership Certificates of the property are in the course of application. In the course of valuation, we have assumed that Building Ownership Certificates have been granted for the property.
- (5) According to Business Licence No.152300400000199, 至卓飞高线路板(通辽)有限公司 (Topsearch Printed Circuits (Tongliao) Ltd.) has been incorporated as a foreign limited liability company with a registered capital of USD42,000,000 for an operation period from 23 June 2005 to 31 December 2008.
- (6) We have been provided with a legal opinion issued by the Company's PRC legal advisor, which contains, inter alia, the following information :
- (i) The State-owned Land Use Rights Certificate is valid, legal and enforceable under the PRC laws;
  - (ii) The land use rights of the property, comprising a site area of 230,667.82 sq m have been vested in 至卓飞高线路板(通辽)有限公司 (Topsearch Printed Circuits (Tongliao) Ltd.) and
  - (iii) 至卓飞高线路板(通辽)有限公司 (Topsearch Printed Circuits (Tongliao) Ltd.) has the right to freely occupy, use lease, transfer, mortgage and dispose of the land use rights and building ownership of the property.
- (7) The status of title and grant/transfer of major approvals and licences in accordance with the information provided by the Group are as follows:-

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Building Ownership Certificate	No
Business Licence	Yes

**Group II - Properties rented and occupied by the Group in Hong Kong**

<b>Property</b>	<b>Description and Tenancy Particulars</b>	<b>Capital Value in existing state as at 31 May 2010</b>
5. Unit 3406, 34/F, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong  (香港干诺道中168至200号信德中心招商局大厦34楼3406单元)	<p>The property comprises an office unit of a 39-storey office building completed in 1986 with a gross floor area of approximately 157.47 sq m.</p> <p>The property is leased from an independent party, to Topsearch Printed Circuits (HK) Limited for a term of 2 years from 15 March 2010 to 14 March 2012 at a monthly rent of HK\$62,715 exclusive of rates, government rent and management fee.</p>	No commercial value
6. Workshop A on 13/F, Block 2, Koon Wah Mirror Factory (6 <sup>th</sup> ) Industrial Building, Nos. 7 to 9 Ho Tin Street, Tuen Mun, Hong Kong  (香港屯门河田街7至9号冠华镜厂(第六)工业大厦第二座13楼A号单位)	<p>The property comprises a workshop unit of an industrial building with a gross floor area of approximately 275.73 sq m.</p> <p>The property is leased from an independent party, to Topsearch Printed Circuits (HK) Limited for a term of 2 years from 27 July 2009 to 26 July 2011 at a monthly rent of HK\$6,000 exclusive of rates, government rent and management fees.</p>	No commercial value
7. Workshops C and D on 15/F, Block 2, Koon Wah Mirror Factory (6 <sup>th</sup> ) Industrial Building, Nos. 7 to 9 Ho Tin Street, Tuen Mun, Hong Kong  (香港屯门河田街7至9号冠华镜厂(第六)工业大厦第二座15楼C及D号单位)	<p>The property comprises two workshop units of an industrial building with a gross floor area of approximately 490.25 sq m.</p> <p>The property is leased from an independent party, to Topsearch Printed Circuits (HK) Limited for a term of 2 years from 15 April 2009 to 14 April 2011 at a monthly rent of HK\$10,570 exclusive of rates, government rent and management fees.</p>	No commercial value