

The following is the text of a letter, summary of valuations and valuation certificates prepared for the purpose of incorporation in this prospectus received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market value of the property interests in Hong Kong and the PRC as at 31 July 2012.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

28 September 2012

The Directors
KFM Kingdom Holdings Limited
Block A3, 10/F,
Yee Lim Industrial Centre,
Nos. 2-28 Kwai Lok Street,
Kwai Chung,
New Territories,
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE AND DATE OF VALUATION

In accordance with your instructions for us to value the property interests held by KFM Kingdom Holdings Limited (the “**Company**”) or its subsidiaries or its associated companies (hereinafter together referred to as the “**Group**”) in Hong Kong and the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing the Group with our opinion of the market values of those property interests as at 31 July 2012 (the “**date of valuation**”).

DEFINITION OF MARKET VALUE

Our valuation of each of the property interests represents the 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 ASSUMPTION

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

Unless otherwise stated, in the course of our valuation of the property interests situated in the PRC, we have assumed that transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that, any premiums payable have already been fully paid. We have also assumed that the grantees or the users of the property interests have free and uninterrupted rights to use or to assign the property interests for the whole of the unexpired terms as granted. We have relied on the advice given by the Group and the Group's legal advisor, GFE Law Office, on the PRC laws, regarding the title to each of the property interests in the PRC and the Group's interests in the properties in the PRC.

METHOD OF VALUATION

The property interest in Group I is to be acquired by the Group in Hong Kong, we have valued it by using direct comparison method by making reference to comparable sales transactions as available in the relevant market. The property interests in Group II and Group III which are leased to the Group are considered to have no commercial value mainly due to the prohibitions against assignment and subletting or otherwise due to the lack of substantial profit rents.

SOURCE OF INFORMATION

Regarding the property interests in Hong Kong, we have caused searches to be made at the Land Registry. However, we have not searched the original documents to verify ownership or to verify any amendments to any documents. All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate. In respect of property interests in the PRC, 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 considerable extent on the information given by the Group and its legal advisor, GFE Law Office, in respect of the title to the property interests in the PRC. We have also accepted advice given to us on such matters as planning approvals or statutory notices, tenure, identification of land and buildings, completion date of buildings, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

SITE INSPECTION

Our DTZ Debenham Tie Leung Limited Hong Kong office Angelina Kwok, Shanghai office George Deng and Woody Wu and Shenzhen office May Fan, inspected the exterior and, wherever possible, the interior of each of the properties between July 2011 and June 2012. Moreover, 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 detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

CURRENCY

Unless otherwise stated, all money amounts indicated herein are in Hong Kong Dollars for the property interests in Hong Kong and Renminbi for the property interests in the PRC.

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

Yours faithfully,
for and on behalf of

DTZ Debenham Tie Leung Limited

K.B. Wong

Registered Professional Surveyor (General Practice)

Registered China Real Estate Appraiser

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

Senior Director

Note: Mr. K.B. Wong is a Registered Professional Surveyor (General Practice) who has over 27 years' experience in the valuation of properties in Hong Kong and over 22 years' experience in valuation of properties in the PRC.

SUMMARY OF VALUATIONS

Property interest	Capital value in existing state as at 31 July 2012
Group I – Property interest contracted to be acquired by the Group in Hong Kong	
1. Unit Nos. 1, 2, 3, 5, 6 and 7 on 31st Floor, with the sole and exclusive right and privilege to hold use occupy and enjoy the lavatory(ies), lift lobby and corridor on 31st Floor in common with the owners of the other Unit(s) on 31st Floor, One Midtown, No. 11 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong	HK\$25,345,000
Group II – Property interest leased by the Group in Hong Kong	
2. Factory Flat A3 on 10th Floor, Block A, Yee Lim Industrial Centre, 2-6 Kwai Hei Street and 2-28 Kwai Lok Street, Kwai Chung, New Territories, Hong Kong	No commercial value
Group III – Property interests leased by the Group in the PRC	
3. Workshop No. 2, Phase 3, No. 530 Huicheng Road, Huinan Town, Shanghai the PRC	No commercial value
4. Workshop No. 1, Phase 3, Nanhui Industrial Zone, No. 530 Huicheng Road, Huinan Town, Shanghai the PRC	No commercial value

Property interest	Capital value in existing state as at 31 July 2012
5. Workshop Nos. 17, 18, 21, 22 and extension portion between Workshop Nos. 21 and 22, Technology Industrial Zone, Huoju Road, Xin District, Suzhou, Jiangsu Province, the PRC	No commercial value
6. Workshop No. 25, Technology Industrial Zone, Huoju Road, Xin District, Suzhou, Jiangsu Province, the PRC	No commercial value
7. Level 2, Workshop No. 24, Technology Industrial Zone, Huoju Road, Xin District, Suzhou, Jiangsu Province, the PRC	No commercial value
8. Workshop Nos. 4 and 5, No. 187 Jinshan Road, Xin District, Suzhou, Jiangsu Province, the PRC	No commercial value
9. Workshop at No. 166 Zhiying Street, Gaoxin District, Suzhou, Jiangsu Province, the PRC	No commercial value

Property interest	Capital value in existing state as at 31 July 2012
10. Levels 1 to 6 of a workshop and Levels 2 to 9 of a dormitory, No. 8 Mumiankeng Industrial Zone, Xili Dakan Village Nanshan District, Shenzhen, Guangdong Province, the PRC	No commercial value
11. Block A, No. 1301 Guanguang Road, Dabu Lane, Guanlan Street, Baoan District, Shenzhen, Guangdong Province, the PRC	No commercial value
12. 3 blocks of dormitory and 1 block of canteen, No. 1301 Guanguang Road, Dabu Lane, Guanlan Street, Baoan District, Shenzhen, Guangdong Province, the PRC	No commercial value
13. Unit 804, Level 8, Nantoucheng Composite Office, No. 8 Zhongshanyuan Road, Nanshan District, Shenzhen, Guangdong Province, the PRC	No commercial value

VALUATION CERTIFICATE

Group I – Property interest contracted to be acquired the Group in Hong Kong

Property interest	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 July 2012
1. Unit Nos. 1, 2, 3, 5, 6 and 7 on 31st Floor, with the sole and exclusive right and privilege to hold use occupy and enjoy the lavatory(ies), lift lobby and corridor on 31st Floor in common with the owners of the other Unit(s) on 31st Floor, One Midtown, No. 11 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong 367/51,287th and 367/1,050th of 214/51,287th of 90,525/177,500th shares of and in Tsuen Wan Town Lot No. 218 and Tsuen Wan Inland Lot No. 36	<p>The property comprises six industrial units on the 31st floor of a 37-storey industrial building with car parking spaces are provided within the development. The building was completed in June 2012.</p> <p>The property has a total saleable area of approximately 3,961 sq.ft. (367.962 sq.m.), excluding the area of common lavatories, lift lobby and corridor.</p> <p>The property is located at Hoi Shing Road, Tsuen Wan in New Territories. The general locality is characterized by industrial and residential developments.</p> <p>The property is held under New Grant No. TW5008 for a term of 99 years from 1 July 1898 and Conditions of Sale No. UB5156 for a term of 75 years from 1 July 1898 renewed for a further term of 24 years both have been statutorily extended for 50 years to 30 June 2047. The current Government Rent payable for the property is a amount equal to 3% of the rateable value for the time being of the property per annum.</p>	The property is vacant.	HK\$25,345,000

Notes:

- (1) The registered owner of the property is New Tech Centre Limited.
- (2) Units 1, 2, 3, 5, 6 and 7 on 31st Floor are each subject to an Agreement for Sale and Purchase all in favour of Kingdom Fine Metal Limited.
- (3) The property is zoned for “Other Specified Uses (Business (1))” uses under Tsuen Wan Outline Zoning Plan No. S/TW/29.

VALUATION CERTIFICATE

Group II – Property interest leased by the Group in Hong Kong

Property interest	Description and tenure	Capital value in existing state as at 31 July 2012
2. Factory Flat A3 on 10th Floor, Block A, Yee Lim Industrial Centre, 2-6 Kwai Hei Street and 2-28 Kwai Lok Street, Kwai Chung, New Territories, Hong Kong	<p>The property comprises an industrial unit on the 10th floor of a 14-storey industrial building completed in 1980. The property is currently occupied by the Group.</p> <p>The property has a gross floor area approximately 5,269 sq ft (489.50 sq.m.).</p> <p>The property is located at Kwai Lok Street, Kwai Chung in New Territories. The general locality is characterized by industrial and residential developments.</p> <p>The property is currently leased from Mr. Sun Yuen Fu, the father of the Chairman Mr. Peter Sun, to the Group for a term of 2 years from 1 April 2011 to 31 March 2013 at a monthly rent of HK\$28,000 (exclusive of rates, government rent and management fees).</p>	No commercial value

VALUATION CERTIFICATE

Group III – Property interests leased by the Group in the PRC

Property interest	Description and tenure	Capital value in existing state as at 31 July 2012
3. Workshop No. 2, Phase 3, No. 530 Huicheng Road, Huinan Town, Shanghai the PRC	<p>The property comprises an industrial workshop with a gross floor area of approximately 1,738.03 sq.m. completed in 2001.</p> <p>The property is leased to the Group for a term of 3 years from 1 August 2012 to 31 July 2015 at a daily rent of RMB1,123.20. The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Huicheng Road which is in the rural area of Shanghai. The general locality is characterized by industrial developments.</p> <p>According to the PRC opinion, the lease is in the process of registration in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value
4. Workshop No. 1, Phase 3, Nanhui Industrial Zone, No. 530 Huicheng Road, Huinan Town, Shanghai the PRC	<p>The property comprises an industrial workshop with a gross floor area of approximately 1,738.03 sq.m. completed in 2001.</p> <p>The property is leased to the Group for a term from 1 December 2006 to 30 November 2014 at a daily rent of RMB950.40 from 1 December 2006 to 30 November 2011 and RMB1,008 from 1 December 2011 to 30 November 2014. The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Huicheng Road which is in the rural area of Shanghai. The general locality is characterized by industrial developments.</p> <p>According to the PRC opinion, the lease has been duly registered in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value
5. Workshop Nos. 17, 18, 21, 22 and extension portion between Workshop Nos. 21 and 22, Technology Industrial Zone, Huoju Road, Xin District, Suzhou, Jiangsu Province, the PRC	<p>The property comprises various industrial workshops completed in 2002.</p> <p>The property has a gross floor area of approximately 10,605.85 sq.m..</p> <p>The property is leased to the Group for a term of 10 years from 8 January 2010 to 7 January 2020 at a monthly rent of approximately RMB106,058.50 and a service charge of approximately RMB95,453. The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Huoju Road which is in the rural area of Suzhou. The general locality is characterized by industrial developments.</p> <p>According to the PRC opinion, the lease has been duly registered in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value

VALUATION CERTIFICATE

Property interest	Description and tenure	Capital value in existing state as at 31 July 2012
6. Workshop No. 25, Technology Industrial Zone, Huoju Road, Xin District, Suzhou, Jiangsu Province, the PRC	<p>The property comprises an industrial workshop completed in 2002.</p> <p>The property has a gross floor area of approximately 3,442.42 sq.m..</p> <p>The property is leased to the Group for a term of 10 years from 8 March 2009 to 7 January 2019 at a monthly rent of approximately RMB34,424.20 and a service charge of approximately RMB34,424.20. The property is currently occupied by the Group for industrial and office uses.</p> <p>The location is located at Huoju Road which is in the rural area of Suzhou. The general locality is characterized by industrial developments.</p> <p>According to the PRC opinion, the lease has been duly registered in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value
7. Level 2, Workshop No. 24, Technology Industrial Zone, Huoju Road, Xin District, Suzhou, Jiangsu Province, the PRC	<p>The property comprises level 2 of a workshop completed in 2002.</p> <p>The property has a gross floor area of approximately 2,047 sq.m..</p> <p>The property is leased to the Group for a term of 3 years from 1 June 2011 to 31 May 2014 at a monthly rent of RMB20,470 and a service charge of RMB20,470. The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Huoju Road which is in the rural area of Suzhou. The general locality is characterized by industrial developments.</p> <p>According to the PRC opinion, the lease has been duly registered in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value
8. Workshop Nos. 4 and 5, No. 187 Jinshan Road, Xin District, Suzhou, Jiangsu Province, the PRC	<p>The property comprises a 6-storey industrial workshop completed around 2000.</p> <p>The property has a gross floor area of approximately 19,343.76 sq.m..</p> <p>The property is leased from an independent third party to the Group for a term of 2 years from 1 November 2011 to 31 December 2013 with a monthly rent of RMB290,156.40 (inclusive of management fee). The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Jinshan Road which is in the rural area of Suzhou. The general locality is characterized by industrial developments.</p> <p>According to the PRC opinion, the lease has been duly registered in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value

VALUATION CERTIFICATE

Property interest	Description and tenure	Capital value in existing state as at 31 July 2012
9. Workshop at No. 166 Zhiying Street, Gaoxin District, Suzhou, Jiangsu Province, the PRC	<p>The property comprises a workshop completed in 2005.</p> <p>The property has a gross floor area of approximately 4,401 sq.m..</p> <p>The property is leased to the Group for a term from 15 January 2011 to 14 January 2016 at an annual rent of RMB630,000. The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Zhiying Road which is in the rural area of Suzhou. The general locality is characterized by industrial developments.</p> <p>According to the PRC opinion, the lease has been duly registered in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value
10. Levels 1 to 6 of a workshop and Levels 2 to 9 of a dormitory, No. 8 Mumiankeng Industrial Zone, Xili Dakan Village Nanshan District, Shenzhen, Guangdong Province, the PRC	<p>The property comprises a 6-storey industrial workshop and Levels 2 to 9 of a 9-storey dormitory completed in 1992.</p> <p>The property has a total gross floor area of approximately 18,502 sq.m..</p> <p>The property is leased from an independent third party to the Group for a term of from 1 March 2011 to 31 October 2016 with a monthly rent of RMB323,735. The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Mumiankeng Industrial Zone which is in the rural area of Shenzhen. The general locality is characterized by industrial developments.</p> <p>According to the PRC legal opinion, the lessor did not obtain the title document or Planning Permit for Construction Works of the property, the relevant lease agreement may be deemed invalid and such property may be forced to be removed or expropriated by the relevant departments of the PRC government. The leases of the property has been duly registered in the relevant government.</p>	No commercial value
11. Block A, No. 1301 Guanguang Road, Dabu Lane, Guanlan Street, Baoan District, Shenzhen, Guangdong Province, the PRC	<p>The property comprises a 5-storey industrial workshop completed in 2008.</p> <p>The property has a total gross floor area of about 30,222.84 sq.m..</p> <p>The property is leased to the Group for a term from 8 March 2011 to 30 September 2018 at a monthly rent of RMB241,782.72. The property is currently occupied by the Group for industrial use.</p> <p>The location is located at Guanguang Road, which is in the rural area of Shenzhen. The general locality is characterized by industrial developments.</p> <p>According to the PRC legal opinion, the lease is valid, enforceable and has been duly registered in the relevant government authorities.</p>	No commercial value

VALUATION CERTIFICATE

	Property interest	Description and tenure	Capital value in existing state as at 31 July 2012
12.	3 blocks of dormitory and 1 block of canteen, No. 1301 Guanguang Road, Dabu Lane, Guanlan Street, Baoan District, Shenzhen, Guangdong Province, the PRC	<p>The property comprises 3 blocks of dormitory and a canteen completed between 2008 and 2009.</p> <p>The property has a total gross floor area of about 9,519.04 sq.m..</p> <p>The property is leased to the Group from 8 March 2011 to 30 September 2018 at a monthly rent of RMB76,152.32. The property is currently occupied by the Group for staff quarter use.</p> <p>The location is located at Guanguang Road, which is in the rural area of Shenzhen. The general locality is characterized by industrial development.</p> <p>According to the PRC legal opinion, the lease is valid, enforceable and has been duly registered in the relevant government authorities.</p>	No commercial value
13.	Unit 804, Level 8, Nantoucheng Composite Office, No. 8 Zhongshanyuan Road, Nanshan District, Shenzhen, Guangdong Province, the PRC	<p>The property comprises an office unit with a gross floor area of approximately 25 sq.m. completed in 2001.</p> <p>The property is leased to the Group for a term from 10 July 2011 to 10 December 2013 at a monthly rent of RMB1,000. The property is currently occupied by the Group for office use.</p> <p>The location is located at Zhongshanyuan Road which is in the sub-urban area of Shenzhen. The general locality is characterized by residential and commercial developments.</p> <p>According to the PRC opinion, the lease has been duly registered in the relevant government authorities. The lease is valid and enforceable.</p>	No commercial value