

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this prospectus and received from DTZ Debenham Tie Leung Limited, an independent valuer, in connection with their valuations of the property interests of the Group as at 31 December 2009.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

26 January 2010

The Board of Directors
Sijia Group Company Limited
Suite 1603, 16th Floor,
Office Tower, Convention Plaza,
1 Harbour Road,
Wanchai,
Hong Kong

Dear Sirs,

Instructions, Purpose and Date of Valuation

In accordance with your instructions for us to value the properties in which Sijia Group Company Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in the People’s Republic of China (the “PRC”) (as more particularly described in the attached valuation certificates), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Group with our opinion of the values of such properties as at 31 December 2009 (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 Assumption

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.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor 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 outgoings of any onerous nature which could affect their values.

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 on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

In the course of our valuation of the properties in the PRC, we have assumed that transferable land use rights in respect of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. We have relied on the information 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 right to use, occupy or assign the property interests for the whole of the respective unexpired terms as granted.

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 and the opinion of the Group's legal adviser, Guantao Law Firm, are set out in the notes in the respective valuation certificate.

Method of Valuation

In valuing Property No. 1 in Group I, which is held by the Group for owner-occupation in the PRC, we have adopted the Depreciated Replacement Costs ("DRC") approach. Due to the specific nature and use of the buildings and structures, we have valued the property by reference to the Depreciated Replacement Cost. DRC is based on an estimate of the market value for the existing use of the land, plus the current gross replacement costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization. For the land portion, we have made reference to comparable sales evidence as available in the market. The DRC is subject to adequate potential profitability of the business.

We have ascribed no commercial value to Property No. 2 in Group I since the Group has not yet obtained the State-owned Land Use Rights Certificates and Building Ownership Certificates as at the date of valuation.

The properties in Group II and III which are leased to the Group in the PRC and Hong Kong respectively 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

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 PRC legal adviser, Guantao Law Firm, in respect of the titles to the properties in the PRC. We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, completion date of buildings, identification of buildings, particulars of occupancy, development schemes, construction costs, site and gross floor areas and all other relevant matters.

Dimension, measurements and areas included in the attached valuation certificates are based on the 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.

Site Inspection

We have inspected the exterior and, where possible, the interior of each of the properties. However, we have not carried out investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No test was carried out on any of the services. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and gross floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

Currency

Unless otherwise stated, all sums stated in our valuations are in Renminbi (RMB), the official currency of 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
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 K. F. 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

Group I – Properties held by the Group for owner-occupation in the PRC

Property	Capital value in existing state as at 31 December 2009 <i>RMB</i>	Interest attributable to the Group %	Capital value in existing state attributable to the Group as at 31 December 2009 <i>RMB</i>
1. An industrial complex situated at No. 288 Huanxi Street, Huanxi Town, Jinan District, Fuzhou City, Fujian Province, the PRC	59,900,000	100	59,900,000
2. An industrial complex situated at Block C9, Huli Yuan, Tongan Industry Zone, Tongan District, Xiamen City, Fujian Province, the PRC	No commercial value	–	No commercial value
		Sub-total:	59,900,000

Group II – Properties leased to the Group in the PRC

Property	Capital value in existing state attributable to the Group as at 31 December 2009 RMB
3. Unit 1517, Level 15, Suoke Shiji Building, No. 197 Hanghai Road, Erqi District, Zhengzhou City, Henan Province, the PRC	No commercial value
4. Unit 09011, No. 132F Qindao Middle Road, Weihai City, Shandong Province, the PRC	No commercial value
5. Unit 938, No. 617, Dongfeng East Road, Yuexiu District, Guangzhou City, Guangdong Province, the PRC	No commercial value

Sub-total:	No commercial value

Group III – Property leased to the Group in Hong Kong

Property	Capital value in existing state attributable to the Group as at 31 December 2009 RMB
6. Suite 1603, 16th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai Hong Kong	No commercial value
Sub-total:	<u>No commercial value</u>
Grand-Total:	<u><u>59,900,000</u></u>

VALUATION CERTIFICATE

Group I – Properties held by the Group for owner-occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 December 2009 RMB
1. An industrial complex situated at No. 288 Huanxi Street, Huanxi Town, Jinan District, Fuzhou City, Fujian Province, the PRC	<p>The property comprises an industrial complex erected on a parcel of land with a site area of approximately 65,107 sq.m..</p> <p>The industrial complex comprises 3 buildings with Building Ownership Certificates completed in 2008, which has a total gross floor area of approximately 11,586.26 sq.m..</p> <p>There are 6 buildings with a total gross floor area of approximately 585.61 sq.m. without Building Ownership Certificates.</p> <p>The land use rights of the property have been granted for a term of 50 years due to expire on 30 December 2056 for industrial use.</p>	The property is currently occupied by the Group for production purpose.	59,900,000

Notes:

- (1) According to the Certificate for the Use of State-owned Land No. (2007) 31028500086 issued by Fuzhou Municipal People's Government dated 14 March 2007, the land use rights of the property comprising a site area of approximately 65,107 sq.m. have been vested in Fujian Sijia Industrial Material Co., Ltd. (福建思嘉環保材料科技有限公司), due to expire on 30 December 2056 for industrial use.
- (2) According to the Building Ownership Certificate No. 0858073 issued by Fuzhou Housing and Administration Bureau dated 24 November 2008, the property with a gross floor area of 11,586.26 sq.m. is owned by Fujian Sijia Industrial Material Co., Ltd..

We noted that there were six buildings with a total gross floor area of approximately 585.61 sq.m. without Building Ownership Certificates. According to the confirmation letter issued by the Fuzhou Property Management Bureau (福州市房地產管理局) dated 20 October 2009, the Group is in the process of applying for the Building Ownership Certificates. In the course of our valuation, we have assigned no commercial value to these buildings. However, on the assumption that the Building Ownership Certificates of the buildings have been obtained, the capital value of the buildings as at 31 December 2009 would be RMB440,000.

We noted that there was a temporary building with a gross floor area of approximately 1,228 sq.m. without Building Ownership Certificate. According to the confirmation issued by the Town Planning Bureau and Development Bureau of Fuzhou City, the Group was permitted to use the temporary building on the subject site, provided that such building will be demolished before the commencement of phase two development's construction of the property scheduled in November 2010. In the course of our valuation, we have assigned no commercial value to the building.

- (3) According to Business Licence No. 350000400000737 dated 28 September 2009, Fujian Sijia Industrial Material Co., Ltd. was established as a limited company with a registered capital of HK\$65,000,000 and has a valid operation period from 25 September 2002 to 25 September 2052.
- (4) We have been provided with a legal opinion on the property prepared by the Group's legal adviser, which contains, inter alia, the following information:
- (i) Fujian Sijia Industrial Material Co., Ltd. is in possession of a proper legal title to the property and has the right to lease, mortgage and dispose of the property with the residual term of its land use right.
 - (ii) According to the Grant Contract of Land Use Rights, if the company transfers the land use rights of the property, unless Fuzhou Bureau of Land and Resources abandons the right to repurchase or has other agreements with the Fujian Sijia Industrial Material Co., Ltd., the land use rights of the property shall be repurchased by Fuzhou Bureau of Land and Resources.
 - (iii) Fujian Sijia Industrial Material Co., Ltd. is in the process of applying for the Building Ownership Certificates of the property with a total gross floor area of approximately 585.61 sq.m.. There is no actual legal obstacle in obtaining such certificates.
 - (iv) Fujian Sijia Industrial Material Co., Ltd. had obtained the confirmation from the relevant government authority and will not incur penalties in respect of antecedent construction and use of the temporary building with a total gross floor area of approximately 1,228 sq.m. by local planning and property construction Bureau.
 - (v) The property is subject to a mortgage in favour of the Bank of China, Jinan Branch to the extent of RMB36,845,600.
- (5) The status of title and grant of major approvals and licences in accordance with the legal opinion and information provided by the Group are as follows:

State-owned Land Use Rights Certificate	Yes
Building Ownership Certificate	Yes (Part)
Business Licence	Yes

Property	Description and tenure	Particulars of occupancy	Capital value in
			existing state as at 31 December 2009 RMB
2. An industrial complex situated at Block C9, Huli Yuan, Tongan Industry Zone, Tongan District, Xiamen City, Fujian Province, the PRC	<p>The property comprises an industrial complex erected on a parcel of land with a site area of approximately 5,231.62 sq.m..</p> <p>The industrial complex comprises a building with a gross floor area of approximately 8,735.54 sq.m. completed in 2008.</p> <p>The land use rights of the property have been granted for a term of 50 years from 1 January 2006 to 1 January 2056 for industrial use.</p>	Level 1 of the property with a gross floor area of approximately 1,511 sq.m. is leased to Xiamen Daxiang Protective Sheet Co., Ltd. (廈門達翔環保片材有限公司) for a term of 15 years commencing from 16 March 2009 to 15 March 2024 at a monthly rent of RMB 10 per sq.m. (tax inclusive) while the remaining portion of the property is currently occupied by the Group for production purpose.	No commercial value

Notes:

- (1) According to the Compensated Assignment of Rights Contract of Land Use Rights (國有土地使用權有償使用合同) (2006) 廈地合 (湖裏通)) No. 150 entered into among the Tongan Branch of Xiamen Land and Building Administration Bureau (廈門市國土資源與房產管理局同安分局), Xiamen Hao Yuan Material Technology Co., Ltd. (廈門浩源環保材料科技有限公司) (subsequently changed its name to Xiamen Grandsoo Industry and Trade Co., Ltd.) and Xiamen Tiandi Development Company (廈門天地開發建設公司), the land use rights of property comprising a site area of 5,231.616 sq.m. have been granted to Xiamen Hao Yuan Material Technology Co., Ltd. with the details as follows:

Contract No.	Use	Land Use Term	Gross Floor Area sq.m.	Consideration RMB
(2006) XDH (HLT) No. 150	Industrial	50 years	8,735.537	1,022,495

- (2) According to the Contract of Mandate for Construction No. 150 entered into between Xiamen Tiandi Development Company (廈門天地開發建設公司) and Xiamen Hao Yuan Material Technology Co., Ltd. (廈門浩源環保材料科技有限公司) dated 30 September 2006, the total gross floor area of the property is approximately 8,735.537 sq.m. and the construction cost is RMB7,713,042.
- (3) According to the confirmation issued by the Tongan Branch of Xiamen Land and Building Administration Bureau dated 18 September 2009, the Group is in the process of applying for the State-owned Land Use Rights Certificate and Building Ownership Certificate of the property. In the course of our valuation, we have assigned no commercial value to the property. However, on the assumption that the state-owned Land Use Rights Certificate and Building Ownership Certificate of the property have been obtained, the capital value of the buildings as at 31 December 2009 would be RMB12,500,000.
- (4) According to Business Licence No. 350200400012392 dated 5 December 2008, Xiamen Grandsoo Industry and Trade Co., Ltd. (廈門浩源工貿有限公司) was established as a limited company with a registered capital of HK\$40,000,000, and has a valid operation period from 26 May 2006 to 25 May 2056.

- (5) We have been provided with a legal opinion on the property prepared by the Group's legal adviser, which contains, inter alia, the following information:
- (i) Xiamen Grandsoo Industry and Trade Co., Ltd. is in the process of applying for the State-owned Land Use Rights Certificate and Building Ownership Certificate. There is no actual legal obstacle in obtaining such certificate.
 - (ii) All land premium and other costs of ancillary utilities services have been settled in full.
 - (iii) If Xiamen Grandsoo Industry and Trade Co., Ltd. transfers the land use rights of the property, unless the Huli District Government or the department authorized by the government abandon the right to repurchase or has other agreements with Xiamen Grandsoo Industry and Trade Co., Ltd., the Huli District Government or the department authorized by the government has the priority to purchase it.
 - (iv) The property is subject to a loan in favor of the Agricultural Bank of China, Jiangtuo Branch to the extent of RMB5,000,000.
- (6) The status of title and grant of major approvals and licences in accordance with the legal opinion and information provided by the Group are as follows:

Compensated Assignment of Rights Contract of Land Use Rights	Yes
Contract of Mandate for Construction	Yes
State-owned Land Use Rights Certificate	No
Building Ownership Certificate	No
Business Licence	Yes

Group II – Properties leased to the Group in the PRC

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 December 2009 RMB
3.	Unit 1517, Level 15, Suohe Shiji Building, No. 197 Hanghai Road, Erqi District, Zhengzhou City, Henan Province, the PRC	<p>The property comprises an office unit of a 15-storey office building completed in 2003.</p> <p>The property has a gross floor area of approximately 35.12 sq.m..</p> <p>The property is currently leased from an independent third party to Fujian Sijia Industrial Material Co., Ltd (福建思嘉環保材料科技有限公司) for a term of 1 year commencing from 21 October 2009 to 20 October 2010 at an annual rent of RMB7,947.</p> <p>According to the PRC legal opinion, the tenancy agreement is legal, valid and enforceable. The tenancy agreement has been duly registered.</p>	The property is currently occupied by the Group as office.	No commercial value
4.	Unit 09011, No. 132F, Qindao Middle Road, Weihai City, Shandong Province, the PRC	<p>The property comprises an office unit of a 19-storey office building completed in 2008.</p> <p>The property has a gross floor area of approximately 45.35 sq.m..</p> <p>The property is currently leased from an independent third party to Fujian Sijia Industrial Material Co., Ltd. (福建思嘉環保材料科技有限公司) for a term of 1 year commencing from 22 October 2009 to 21 October 2010 at an annual rent of RMB10,000.</p> <p>According to the PRC legal opinion, the tenancy agreement is legal, valid and enforceable. The tenancy agreement has been duly registered.</p>	The property is currently occupied by the Group as office.	No commercial value

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 December 2009 RMB
5. Unit 938 No. 617, Dongfeng East Road, Yuexiu District, Guangzhou City, Guangdong Province, the PRC	<p>The property comprises an office unit of an office building completed in 1984.</p> <p>The property has a gross floor area of approximately 33 sq.m..</p> <p>The property is currently leased from an independent party to Fujian Sijia Industrial Material Co., Ltd. (福建思嘉環保材料科技有限公司) for a term of 1 year commencing from 26 October 2009 to 25 October 2010 at a monthly rent of RMB2,500.</p> <p>According to the PRC legal opinion, the tenancy agreement is legal, valid and enforceable. The tenancy agreement has been duly registered.</p>	The property is currently occupied by the Group as office.	No commercial value

Group III – Property leased to the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 December 2009 RMB
6. Suite 1603, 16th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai Hong Kong	<p>The property comprises an office unit of a 40-storey office tower erected upon an 11-storey commercial podium completed in 1990.</p> <p>The property has a gross floor area of approximately 181.25 sq.m..</p> <p>The property is currently leased from an independent third party to the Group for a term of 2 years commencing from 11 December 2009 to 10 December 2011 at a monthly rent of HK\$64,383 (exclusive of government rent, rates and air-conditioning and management fees).</p>	The property is currently occupied by the Group as office	No commercial value