

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 March 2010.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

28 June 2010

The Directors
Chiho-Tiande Group Limited
1410, 14th Floor,
West Tower,
Shun Tak Centre,
Nos. 168-200 Connaught Road Central,
Sheung Wan,
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE AND DATE OF VALUATION

In accordance with your instructions for us to value the properties in which Chiho-Tiande Group Limited (referred to as the “Company”) and its subsidiaries (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 inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such properties as at 31 March 2010.

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 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 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 the transferable land use rights 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 properties 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 advice provided by Zhong Lun Law Firm, are set out in the notes in the respective valuation certificate.

In valuing the property situated in Hong Kong the Government Leases of which expired before 30 June 1997, we have taken into account that under the provisions contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of the People's Republic of China on the Question of Hong Kong as well as in the New Territories Leases (Extension) Ordinance such leases have been extended without premium until 30 June 2047 and that rents of three percent of the rateable value are charged per annum from the date of extension.

METHOD OF VALUATION

In valuing Property Nos. 1-3 of Group I, which are currently held by the Group for owner occupation in the PRC, we have adopted the Depreciated Replacement Cost ("DRC") Approach in valuing the property interests. 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 form which deductions are then made to allow for the age, condition and functional obsolescence. 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.

In valuing Property No. 4 of Group II, which is held by the Group for owner occupation in Hong Kong, we have valued the property interests by direct comparison method by making reference to comparable sales evidence as available in the relevant market.

The property in Group III which is leased to the Group in the PRC has 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 in respect of the properties in the PRC and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, particulars of occupancy, development schemes, construction costs, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the 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, wherever possible, the interior of each of the properties. However, 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.

CURRENCY AND EXCHANGE RATE

Unless otherwise stated, all money amounts indicated herein are in Hong Kong dollars. The exchange rate adopted in our valuations is RMB1=HK\$1.14 which was the approximate 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
K. B. Wong
Registered Professional Surveyor (GP)
Registered China Real Estate Appraiser
M.H.K.I.S., M.R.I.C.S.
Director

Note: Mr. K. B. Wong is a Registered Professional Surveyor who has over 25 years' experience in valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUATIONS

Group I – Properties held by the Group in the PRC

	Property interest	Capital value in existing state as at 31 March 2010	Attributable interest to the Group	Capital value in existing state as at 31 March 2010 attributable to the Group
1.	An industrial complex situated at Taizhou Industrial Zone of Metal Recycling, Fengjiang Town, Luqiao District, Taizhou City, Zhejiang Province, the PRC	RMB83,000,000 (equivalent to approximately HK\$94,620,000)	100%	RMB83,000,000 (equivalent to approximately HK\$94,620,000)
2.	An industrial complex situated at No.1 North Yuanqu Road, Taizhou Industrial Zone of Metal Recycling, Fengjiang Town, Luqiao District, Taizhou City, Zhejiang Province, the PRC	RMB292,000,000 (equivalent to approximately HK\$332,880,000)	100%	RMB292,000,000 (equivalent to approximately HK\$332,880,000)
3.	An industrial complex situated at Shifen Industrial Park, Fengjiang Town, Luqiao District, Taizhou City, Zhejiang Province, the PRC	RMB55,000,000 (equivalent to approximately HK\$62,700,000)	100%	RMB55,000,000 (equivalent to approximately HK\$62,700,000)
	Sub-total:	RMB430,000,000 (equivalent to approximately HK\$490,200,000)		RMB430,000,000 (equivalent to approximately HK\$490,200,000)

Group II – Property held by the Group in Hong Kong

Property interest	Capital value in existing state as at 31 March 2010	Attributable interest to the Group	Capital value in existing state as at 31 March 2010 attributable to the Group
4. Unit No. 1410 on 14th Floor, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Sheung Wan, Hong Kong	HK\$18,000,000	100%	HK\$18,000,000
Sub-total:	HK\$18,000,000		HK\$18,000,000

Group III – Property leased to the Group in the PRC

5. An industrial complex situated at Zones 18 and 20, Phase 3, Ningbo Recycling Resources Processing Park, Ningbo City, Zhejiang Province, the PRC	No commercial value	–	No commercial value
Sub-total:	No commercial value		No commercial value
Grand-total:	HK\$508,200,000		HK\$508,200,000

VALUATION CERTIFICATE

Group I – Properties held by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2010
1. An industrial complex situated at Taizhou Industrial Zone of Metal Recycling, Fengjiang Town, Luqiao District, Taizhou City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon a parcel of land with a site area of approximately 30,384.08 sq m.</p> <p>The industrial complex includes 7 buildings with a total gross floor area of approximately 23,975.03 sq m which were completed in between 2006 and 2009.</p> <p>The land use rights of the property have been granted to the Group for a term due to expire on 7 December 2053 for industrial and storage use.</p>	The property is currently occupied by the Group for industrial use.	RMB83,000,000 (equivalent to approximately HK\$94,620,000)

Notes:

- (1) According to Certificate for the Use of State-owned Land Luo Guo Yong (2008) Di No.00040 issued by People's Government of Taizhou Municipal Luqiao District dated 4 March 2008, the land use rights of the property, comprising a total site area of approximately 30,384.08 sq m have been vested in Taizhou Chiho-Tiande Foundry Co., Ltd. (台州齊合天地鑄造有限公司) for a term due to expire on 7 December 2053 for industrial and storage use.
- (2) According to Grant Contract for State-owned Land Use Rights No. 2006-25 entered into between Zhejiang Province Taizhou Municipal State-owned Land Resources Bureau Luqiao Branch (the Grantor) and Taizhou Chiho-Tiande Foundry Co., Ltd. (the Grantee) on 8 August 2006, the Grantor has agreed to grant the land use rights of the property to the Grantee for the consideration of RMB8,354,303.
- (3) According to 7 Building Ownership Certificates Nos. 347349 to 347354 and S0017279 issued by Taizhou Municipal Construction and Planning Bureau dated 12 August 2008 and 17 August 2009 respectively, the building ownerships of the property, comprising a total gross floor area of approximately 23,975.03 sq m, have been vested in Taizhou Chiho-Tiande Foundry Co., Ltd. for non-residential use.
- (4) According to the remark in Building Ownership Certificate No. 347354, the actual gross floor area of the building is 1,728.39 sq m and it exceeds the permitted gross floor area by 32.31 sq m. In the course of our valuation, no commercial value has been assigned to this portion with gross floor area of 32.31 sq m.
- (5) According to Business License No. 001418 dated 23 June 2006, Taizhou Chiho-Tiande Foundry Co., Ltd. was established with a registered capital of USD7,500,000 (with a paid-up capital of USD7,500,000) for a valid operation period from 8 December 2003 to 7 December 2053.
- (6) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser which contains, inter-alia, the following information:
 - (i) The signing and implementation of the Grant Contract for State-owned Land are legal, valid, binding on both parties and enforceable in accordance with applicable PRC laws and regulations;
 - (ii) Taizhou Chiho-Tiande Foundry Co., Ltd. has paid all the land premium, social security funds and building and crop compensation fees;
 - (iii) The development of the land has not violated the rules set on the relevant Land Grant Contract, and Taizhou Chiho-Tiande Foundry Co., Ltd. has obtained all the approvals or permits for the construction of the buildings erected on the land;
 - (iv) Taizhou Chiho-Tiande Foundry Co., Ltd. has obtained the land use rights and building ownership of the property comprising a site area of 30,384.08 sq m and a gross floor area of 23,975.03 sq m;

- (v) The property (except the composite building with building ownership certificate no. S0017279) is subject to a mortgage in favor of Luqiao Sub-branch of Bank of China to the extent of RMB30,500,000. The register of the mortgage is legal and valid. Taizhou Chiho-Tiande Foundry Co., Ltd. is entitled to lease, transfer, occupy and dispose of the property subject to the consent of the mortgagee; and
- (vi) A workshop has exceeded the permitted gross floor area by 32.31 sq m. However, according to the certificate issued by Taizhou Municipal Construction and Planning Bureau, the company is exempted from penalty caused by the exceeded area.
- (7) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licenses are as follows:
- | | |
|--|-----|
| Certificate for the Use of State-owned Land | Yes |
| Grant Contract for State-owned Land Use Rights | Yes |
| Building Ownership Certificate | Yes |
| Business License | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2010
2. An industrial complex situated at No.1 North Yuanqu Road, Taizhou Industrial Zone of Metal Recycling, Fengjiang Town, Luqiao District, Taizhou City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon three parcels of land with a total site area of approximately 136,631 sq m.</p> <p>The industrial complex comprises 19 buildings with a total gross floor area of approximately 74,786.62 sq m which were completed in the period between 2003 and 2008.</p> <p>The land use rights of the property with a site area of 98,416 sq m have been granted to the Group for a term due to expire on 1 November 2052 for industrial and storage use.</p> <p>The land use rights of the property with a site area of 38,215 sq m have been granted to the Group for a term due to expire on 15 October 2048 for industrial and storage use.</p>	The property is currently occupied by the Group for industrial use.	RMB292,000,000 (equivalent to approximately HK\$332,880,000)

Notes:

- (1) According to 2 Certificates for the Use of State-owned Land Lu Guo Yong (2005) Di Nos. 000033 and 000035 issued by People's Government of Taizhou Municipal Luqiao District dated 5 February 2005, the land use rights of the property, comprising a total site area of approximately 98,416 sq m have been vested in Taizhou Chiho-Tiande Metals Co., Ltd. (台州齊合天地金屬有限公司) for a term due to expire on 1 November 2052 for industrial and storage uses.
- (2) According to Certificate for the Use of State-owned Land Lu Guo Yong (2005) Di No. 000034 issued by People's Government of Taizhou Municipal Luqiao District dated 5 February 2005, the land use rights of the property, comprising a total site area of approximately 38,215 sq m have been vested in Taizhou Chiho-Tiande Metals Co., Ltd. (台州齊合天地金屬有限公司) for a term due to expire on 15 October 2048 for industrial and storage uses.
- (3) According to 16 Building Ownership Certificates Nos. 347318 to 347333 issued by Taizhou Municipal Construction and Planning Bureau dated 12 August 2008, the building ownerships of the property, comprising a total gross floor area of approximately 74,786.62 sq m, have been vested in Taizhou Chiho-Tiande Metals Co., Ltd. for non-residential use.
- (4) Taizhou Chiho-Tiande Metals Co., Ltd. is required to pay for a land premium of RMB11,238,511 in the first transaction of the property. We have taken into account such land premium in our valuation.
- (5) According to Business License No. 331000400000741 dated 23 April 2008, Taizhou Chiho-Tiande Metals Co., Ltd. was established with a registered capital of USD12,680,000 (with a paid-up capital of USD12,680,000) for a valid operation period from 24 December 1999 to 23 December 2048.
- (6) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser which contains, inter-alia, the following information:
 - (i) The signing and implementation of the Grant Contracts for State-owned Land are legal, valid, binding on both parties and enforceable in accordance with applicable PRC laws and regulations;
 - (ii) Taizhou Chiho-Tiande Metals Co., Ltd. has paid all the land premium. The company has also paid Land Use Tax in accordance with applicable PRC laws and regulations;
 - (iii) Taizhou Chiho-Tiande Metals Co., Ltd. has obtained the land use rights and building ownership of the property comprising a site area of 136,631 sq m and a gross floor area of 74,786.62 sq m;

- (iv) Taizhou Chiho-Tiande Metals Co., Ltd. is entitled to transfer, lease and mortgage the land use rights of the property with the residual land use term. However, the company must pay the land premium of RMB11,238,511 and get the approvals from Taizhou Municipal Land Resources Bureau Luqiao Branch upon the first land transfer; and
 - (v) The property is subject to a mortgage in favor of Luqiao Sub-branch of Agriculture Bank of China to the extent of RMB186,940,000. The register of the mortgage is legal and valid. Taizhou Chiho-Tiande Metals Co., Ltd. is entitled to lease, transfer, occupy and dispose of the property subject to the consent of the mortgagee.
- (7) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licenses are as follows:
- | | |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Building Ownership Certificate | Yes |
| Business License | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2010
3. An industrial complex situated at Shifen Industrial Park, Fengjiang Town, Luqiao District, Taizhou City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon four parcels of land with a total site area of approximately 29,073.54 sq m.</p> <p>The industrial complex comprises 4 buildings with a total gross floor area of approximately 4,947.88 sq m which were completed in the period between 1995 and 1997.</p> <p>The industrial complex also includes some temporary structures with a total gross floor area of 12,285.89 sq m for shelter use.</p> <p>The land use rights of the property have been granted to the Group for various terms due to expire on 29 July 2050, 15 October 2048, 31 August 2050 and 30 May 2051 respectively for industrial use.</p>	The property is currently occupied by the Group for industrial use.	RMB55,000,000 (equivalent to approximately HK\$62,700,000)

Notes:

- (1) According to Certificate for the Use of State-owned Land Luo Guo Yong (2002) Zi Di Nos. 10-135 and 10-2877 issued by Taizhou Municipal Land Resources Bureau Luqiao Branch dated 15 March 2002 1 August 2001 respectively, the land use rights of the property comprising a total site area of approximately 29,073.54 sq m have been vested in Taizhou Chiho-Tiande Metals Co., Ltd. (台州齊合天地金屬有限公司) for various terms due to expire on 29 July 2050, 15 October 2048, 31 August 2050 and 30 May 2051 respectively for industrial use.
- (2) According to Grant Contract for State-owned Land Use Rights No. 106 entered into between Zhejiang Province Taizhou Municipal State-owned Land Resources Bureau Luqiao Branch (the Grantor) and Taizhou Chiho-Tiande Metals Co., Ltd. (the Grantee), the Grantor has agreed to grant the land use rights of the property with a site area of approximately 12,121 sq m to the Grantee at a consideration of RMB1,334,037.
- (3) According to 3 Building Ownership Certificates Nos. 315926, 319913 and 347317 issued by Taizhou Municipal Construction and Planning Bureau dated 10 August, 2001, 22 November 2001 and 12 August 2008 respectively, the building ownerships of the property, comprising a total gross floor area of approximately 4,947.88 sq m, have been vested in Taizhou Chiho-Tiande Metals Co., Ltd. for non-residential use.
- (4) According to the Approval issued by Taizhou Municipal Construction and Planning Bureau Luqiao Branch on 26 June 2008, Taizhou Chiho-Tiande Metals Co., Ltd. has some temporary structures with a gross floor of 12,285.89 sq m for shelter use.
- (5) According to Business License No. 331000400000741 dated 23 April 2008, Taizhou Chiho-Tiande Metals Co., Ltd. was established with a registered capital of USD12,680,000 (with a paid-up capital of USD12,680,000) for a valid operation period from 24 December 1999 to 23 December 2048.
- (6) We have been provided with a legal opinion on the property prepared by the Group's legal adviser, which contains, inter alias, the following information:
 - (i) The signing and implementation of the Grants Contract for State-owned Land and Real Estate Sale and Purchase Contract are legal, valid, binding on both parties and enforceable in accordance with applicable PRC laws and regulations;
 - (ii) Taizhou Chiho-Tiande Metals Co., Ltd. has paid all the land premium;

- (iii) Taizhou Chiho-Tiande Metals Co., Ltd. has obtained the land use rights and building ownership of the property comprising a site area of 29,073.54 sq m and a gross floor area of 4,947.88 sq m; and
- (iv) The property is subject to a mortgage in favor of Luqiao Sub-branch of Bank of China to the extent of RMB28,370,000. The register of the mortgage is legal and valid. Taizhou Chiho-Tiande Metals Co., Ltd. is entitled to lease, transfer, occupy and dispose of the property subject to the consent of the mortgagee.
- (7) In accordance with the PRC legal opinion and the information provided by the Group, the status of title and grant of major approvals and licenses are as follows:
- | | |
|--|-----|
| Certificates for the Use of State-owned Land | Yes |
| Grant Contract for State-owned Land Use Rights | Yes |
| Building Ownership Certificates | Yes |
| Business License | Yes |

VALUATION CERTIFICATE

Group II – Property held by the Group in Hong Kong

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2010
4.	Unit No. 1410 on 14th Floor, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Sheung Wan, Hong Kong 24/33888th shares of and in Inland Lot No. 8517	<p>The property comprises an office unit on the 14th floor of a 33-storey office building upon a 7-storey commercial podium completed in 1986.</p> <p>The property has a gross floor area of approximately 1,440 sq ft (133.78 sq m).</p> <p>The property is held by Government under Conditions of Grant No. UB11612 for a lease term of 75 years renewable for 75 years from 31 December 1980. The current Government rent payable for the property is HK\$1,000 per annum.</p>	The property is currently occupied by the Group for office use.	HK\$18,000,000

Notes:

- (1) The registered owner of the property is Hefast Holding Corporation Limited.
- (2) The property is subject to a Mortgage to secure general banking facilities in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 09091401100113 dated 25 August 2009 for all money.

VALUATION CERTIFICATE

Group III – Property leased to the Group in the PRC

5.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2010
	An industrial complex situated at Zones 18 and 20, Phase 3, Zhenhai Recycling Resources Processing Park, Ningbo City, Zhejiang Province, the PRC	<p>The property comprises an industrial complex erected upon a parcel of land with a total site area of approximately 36,112 sq m.</p> <p>The industrial complex comprises 3 buildings with a total gross floor area of approximately 10,218 sq m.</p> <p>The property is currently leased from an independent third party to Chiho-Tiande (Ningbo) Recycling Metals Co., Ltd. 齊合天地(寧波)再生金屬有限公司 for a term of 5 years commencing on 1 October 2009 at an annual service fee of not less than RMB2,233,210 and an annual rent of RMB319,680.</p> <p>According to the PRC legal opinion, the lease agreement has not been registered. As indicated in the undertaking issued by the lessor and the management committee of Ningbo Metals Recycling Park on 11 March 2010, the lessor of the property is in the process of applying for the building ownership certificates of the property. As at the date of valuation, the lessor has no right to lease out the property.</p> <p>As advised by the Company, the property is not subject to any mortgage.</p> <p>The existing use of the property complies with its prescribed use.</p>	The property is currently occupied by the Group for industrial use.	No commercial value