

For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is set forth below to provide the prospective investors with further information on (i) how the proposed listing might have affected the financial position of the Group after the completion of the Share Offer; and (ii) how the proposed listing might have affected the unaudited pro forma estimated earnings per share for the year ended 31 December 2010.

The unaudited pro forma financial information is derived according to a number of adjustments. Although reasonable care has been exercised in preparing such information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial performance and condition of the Group during the Track Record Period or any further date.

The information set forth in this appendix does not form part of the Accountants' Report prepared by RSM Nelson Wheeler, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

(A) UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following illustrative statement of unaudited pro forma adjusted net tangible assets of the Group is based on the audited combined net assets of the Group as at 31 August 2010, as shown in the accountants' report, the text of which is set out in Appendix I to this prospectus and adjusted as described below:

	Combined net tangible assets attributable to the owners of the Company as at 31 August 2010 HK\$'000 (Note 1)	Estimated net proceeds from the Share Offer HK\$'000 (Note 2)	Unaudited pro forma adjusted net tangible assets HK\$'000	Unaudited pro forma adjusted net tangible assets per Share HK\$ (Note 3)
Based on the minimum Offer Price of HK\$1.01 per Share	161,068	80,852	241,920	0.60
Based on the maximum Offer Price of HK\$1.35 per Share	161,068	113,489	274,557	0.69

Notes:

- (1) The combined net tangible assets attributable to owners of the Company as at 31 August 2010 was determined as follows:

	<i>HK\$'000</i>
Audited combined net assets as set out in Appendix I to this prospectus	182,713
Add: Non-controlling interests as set out in Appendix I to this prospectus	12,031
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Combined net assets attributable to owners of the Company	194,744
Less: Intangible assets attributable to owners of the Company	(33,676)
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Combined net tangible assets attributable to owners of the Company	<u>161,068</u>

- (2) The estimated net proceeds from the Share Offer is based on the Offer Price of HK\$1.01 and HK\$1.35 per Share, after deduction of the underwriting fees and related expenses payable by the Company and taking no account of any Shares which may be issued upon the exercise of Over-allotment Option.

- (3) The unaudited pro forma adjusted net tangible assets per Share has been arrived at after making the adjustments referred to in note (2) and on the basis of a total of 400,000,000 Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue.
- (4) No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 August 2010. In particular, the unaudited pro forma net tangible assets of the Group attributable to the owners of the Company does not take into account the dividend of HK\$33.8 million declared by the Board of Telefield Holdings Limited on 30 December 2010, which was paid to the shareholders on 30 December 2010. The unaudited pro forma adjusted net tangible assets per share would have been reduced to HK\$0.52 and HK\$0.60 per share based on the Offer Price of HK\$1.01 and HK\$1.35 respectively, after taking into account the payment of the special dividend in the sum of HK\$33.8 million.
- (5) The Group's property interests as at 30 November 2010 have been valued at approximately HK\$12 million by DTZ Debenham Tie Leung Limited, an independent property valuer, and the relevant property valuation report is set out in Appendix IV to this prospectus. The above unaudited pro forma statement of adjusted consolidated net tangible assets has not taken into account the surplus attributable to the Group arising from the revaluation of the Group's property interests amounting to approximately HK\$2.46 million. Had the valuation surplus been recorded in the Company's financial statements, the depreciation expenses for the year ending 31 December 2010 would increase by approximately HK\$0.01 million.

(B) UNAUDITED PRO FORMA ESTIMATED EARNINGS PER SHARE

The following unaudited pro forma estimated earnings per Share for the year ended 31 December 2010 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Share Offer as if it had taken place on 1 January 2010. This unaudited pro forma estimated earnings per Share has been prepared for illustrative purposes only, and because of its nature, it may not give a true picture of the financial results of the Group following the Share Offer.

Profit Estimate for the year ended 31 December 2010

Unaudited estimated combined profit attributable to owners of the Company ^(Note 1)	not less than HK\$67.6 million
Unaudited pro forma estimated earnings per Share ^(Note 2)	not less than HK\$0.17

Notes:

- (1) The bases and assumptions on which the above profit estimate for the year ended 31 December 2010 has been prepared are set out in Appendix III to this prospectus.
- (2) The calculation of unaudited pro forma estimated earnings per Share for the year ended 31 December 2010 is based on the above unaudited estimated combined profit attributable to owners of the Company for the year ended 31 December 2010 and assumes that a total of 400,000,000 Shares were in issue during the entire year, without taking into account any further Shares which may be allotted and issued upon the exercise of the Over-allotment Option or any Shares which may be issued upon the exercise of options which have been granted or may be granted under the Share Option Scheme.

(C) COMFORT LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, received from the independent reporting accountants of the Company, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong, prepared for inclusion in this prospectus, in respect of the Group's unaudited pro forma financial information.

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

29th Floor, Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

14 January 2011

The Board of Directors
Telefield International (Holdings) Limited
China Merchants Securities (HK) Co., Ltd.

Dear Sirs,

We report on the unaudited pro forma adjusted net tangible assets and unaudited pro forma estimated earnings per Share (the "Unaudited Pro Forma Financial Information") of Telefield International (Holdings) Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which have been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Share Offer might have affected the financial information of the Group presented, for inclusion in Appendix II to the prospectus of the Company dated 14 January 2011 (the "Prospectus") in connection with the Placing and Public Offer of 100,000,000 Shares of HK\$0.01 each in the Company. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 31 August 2010 or any future date; or
- the earnings per share of the Group for the year ended 31 December 2010 or any future periods.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,
RSM Nelson Wheeler
Certified Public Accountants
Hong Kong