

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, the PRC, Luxembourg, USA and Germany as at 30 November 2010.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

14 January 2011

The Directors
Telefield International (Holdings) Limited
Units 609-610
6/F, Bio-Informatics Centre
No. 2 Science Park, West Avenue
Hong Kong Science Park
Shatin
New Territories
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE AND DATE OF VALUATION

In accordance with your instructions for us to value the properties in which Telefield International (Holdings) Limited (referred to as the “Company”) and its subsidiaries (together referred to as the “Group”) have interests in Hong Kong, the PRC (the “PRC”) Luxembourg, USA and Germany (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 30 November 2010.

DEFINITION OF MARKET VALUE

Our valuation of the properties represents its market value which in accordance with the Valuation Standards on Properties of 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.

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 Valuation Standards (First Edition 2005) on Properties issued by the Hong Kong Institute of Surveyors.

In valuing the property in Hong Kong the Government Leases of which expired before 30 June 1997, we have taken into account the provisions contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of People's Republic of China on the Question of Hong Kong as well as in the New Territories Leases (Extension) Ordinance under which such leases have been extended without premium until 30 June 2047 and that rents of 3% of the rateable value are charged per annum from the date of extension.

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 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 King & Wood PRC Lawyers, are set out in the notes in the respective valuation certificate.

METHOD OF VALUATION

In valuing property in Group I 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 properties in Group II to VI which are leased to the Group 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 legal advisors, King & Wood PRC Lawyers, in respect of the title to the properties 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

We have inspected the exterior and, wherever possible, the interior of each of the properties. 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 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.

CURRENCY

Unless otherwise stated, all money amounts indicated herein are in Hong Kong dollars for the property in Hong Kong, Renminbi for the properties in the PRC, Euro for the properties in Luxembourg and Germany and United States dollar for the property in USA.

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 23 years' of experience in the valuation of properties in Hong Kong, the PRC and overseas countries.

SUMMARY OF VALUATIONS

Property	Capital value in existing state as at 30 November 2010
Group I – Property held and occupied by the Group in Hong Kong	
1. Workshop D on 2/F Floor, Valiant Industrial Centre, Nos. 2-12 Au Pui Wan Street, Shatin, New Territories, Hong Kong	HK\$12,000,000
Group II – Properties leased to the Group in Hong Kong	
2. Units 609 and 610 of 6th Floor, Bio-Informatics Centre, Hong Kong Science Park, Shatin, New Territories, Hong Kong	No commercial value
3. Unit B, 1st Floor, Block 10 and 2 car parking spaces, Richwood Park, 33 Lo Fai Road Tai Po, New Territories, Hong Kong	No commercial value
4. Unit D, 10th Floor, Block 1 (with a license to use one car parking space), Grand Palisades, 8 Shan Yin Road, Tai Po, New Territories, Hong Kong	No commercial value
5. Unit A, 9th Floor, Block 27, Parc Oasis, 35 Grandeur Road, Yau Yat Tsuen, Kowloon, Hong Kong	No commercial value

Property	Capital value in existing state as at 30 November 2010
Group III – Properties leased to the Group in the PRC	
6. Technology Park, East of Yongshi Road, Shiwan Town, Boluo County, Huizhou, Guangdong Province, the PRC	No commercial value
7. No. 15 North Guangcong Commercial Street, First Industrial Zone, Zhuliao Town, Baiyun District, Guangzhou, Guangdong Province, the PRC	No commercial value
8. No. 5 North District of Mingliang Road, First Industrial Zone, Zhuliao Town, Baiyun District, Guangzhou, Guangdong Province, The PRC	No commercial value
9. No. 8 Zhengliang Road, First Industrial Zone, Zhuliao Town, Baiyun District, Guangzhou, Guangdong Province, the PRC	No commercial value
10. Room 19A, North area of Hubei Building, No.9003 of Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC	No commercial value

Property	Capital value in existing state as at 30 November 2010
11. Room 19B, North area of Hubei Building, No.9003 of Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC	No commercial value
12. Room 27A and 27B, North area of Hubei Building, No.9003 of Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC	No commercial value
Group IV – Property leased to the Group in Luxembourg	
13. 6 C, Parc d'Activité Syrdall, L-5365 MUNSBACH, Luxembourg	No commercial value
Group V – Property leased to the Group in United States of America (“USA”)	
14. 4915 SW Griffith Dr., Suite #205 Park Place Corporate Center Beaverton, Oregon, USA	No commercial value
Group VI – Properties leased to the Group in Germany	
15. Industriestrasse 6, 64653 Lorsch, Germany	No commercial value
16. Kastanienallee 8-10, 64653 Lorsch, Germany	No commercial value
17. Seehofstrasse 64-66, 64653 Lorsch, Germany	No commercial value
Total:	<hr/> HK\$12,000,000 <hr/>

VALUATION CERTIFICATE

Group I – Property held and occupied by the Group in Hong Kong

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2010
1.	Workshop D on 2/F Floor, Valiant Industrial Centre, Nos. 2-12 Au Pui Wan Street, Shatin, New Territories, Hong Kong 59/5500th shares of and in Sha Tin Town Lot Nos. 62, 63 and 64	The property comprises an industrial unit on the 2nd floor of a 14-storey industrial building completed in 1982. The property has a gross floor area of approximately 683.02 sq.m. (7,352 sq.ft.). The property is held under New Grant Nos ST11288, ST11289 and ST11291 all held for a term of 99 years from 1 July 1898. The term has been statutorily extended until 30 June 2047. The current Government rent payable for the property in an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is occupied by the Group for industrial use.	HK\$12,000,000

Note: The registered owner of the property is Circuit Development Limited, an indirect wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

Group II – Properties leased to the Group in Hong Kong

	Property interest	Description and tenure	Capital value in existing state as at 30 November 2010
2.	Units 609 and 610 of 6th Floor, Bio-Informatics Centre, Hong Kong Science Park, Shatin, New Territories, Hong Kong	<p>The property comprises 2 units of Bio-Informatics Centre in Hong Kong Science Park which is currently occupied by the Group for research and development and office use.</p> <p>The property has lettable floor area of approximately 384.62 sq.m. (4,140 sq.ft.) completed in 2004.</p> <p>The property is currently leased from an independent third party to the Group for a term for 3 years from 1 March 2010 with a monthly rent of HK\$52,578 (exclusive of rates) for industrial use.</p>	No commercial value
3.	Unit B, 1st Floor, Block 10 and 2 car parking spaces, Richwood Park, 33 Lo Fai Road Tai Po, New Territories, Hong Kong	<p>The property comprises a residential unit on the 1st floor and 2 car parking spaces of Richwood Park for staff quarter use.</p> <p>The property has a gross floor area of approximately 150.13 sq.m. (1,616 sq.ft.) completed in 1995.</p> <p>The property is currently leased from Modern Field Limited, which is an associate of Century Win, which is owned by Mr. Cheng, who is the Chairman, an Executive Director and one of the Controlling Shareholders of the Company and Mrs. Cheng, the spouse of Mr. Cheng and one of the Controlling Shareholders of the Company, to Telefield Limited, an indirect wholly-owned subsidiary of the Company, for a term of 1 year from 1 June 2010 to 31 May 2011 at a monthly rent of HK\$35,000, inclusive of rates, government rent, management fees and other outgoings. The Landlord also provides furniture and electrical appliances.</p>	No commercial value

		Capital value in existing state as at 30 November 2010	
Property interest	Description and tenure		
4.	<p>Unit D, 10th Floor, Block 1 (with a licence to use one car parking space), Grand Palisades, 8 Shan Yin Road, Tai Po, New Territories, Hong Kong</p>	<p>The property comprises a residential unit on the 10th Floor of Block 1, Grand Palisades and a licence to use one carpark for staff quarter use.</p> <p>The property has a gross floor area of approximately 107.77 sq.m. (1,160 sq.ft.) completed in 1997.</p> <p>The property is currently leased from Grand Access Limited, which is 51% owned by Mr. KB Lee, an Executive Director of the Company, to Telefield Limited, an indirect wholly-owned subsidiary of the Company, for a term of 1 year from 1 June 2010 to 31 May 2011 at a monthly rent of HK\$20,000, inclusive of rates, government rent, management fees and other outgoings. The Landlord also provides furniture and electrical appliances.</p>	No commercial value
5.	<p>Unit A, 9th Floor, Block 27, Parc Oasis, 35 Grandeur Road, Yau Yat Tsuen, Kowloon, Hong Kong</p>	<p>The property comprises a residential unit on the 9th Floor of Block 27 Parc Oasis for staff quarter use.</p> <p>The property has a gross floor area of approximately 70.42 sq.m. (758 sq.ft.) completed in 1995.</p> <p>The property is currently leased from Swintown Investment Limited, which is 99.99% owned by Mr. KY Ng, an Executive Director of the Company, to Telefield Limited, an indirect wholly-owned subsidiary of the Company, for a term of 1 year from 1 June 2010 to 31 May 2011 at a monthly rent of HK\$20,000, inclusive of rates, government rent, management fees and other outgoings. The Landlord also provides furniture and electrical appliances.</p>	No commercial value

VALUATION CERTIFICATE

Group III – Properties leased to the Group in the PRC

			Capital value in existing state as at 30 November 2010
	Property interest	Description and tenure	
6.	Technology Park, East of Yongshi Road, Shiwan Town, Boluo County, Huizhou, Guangdong Province, the PRC	<p>The property comprises 2 workshops and a dormitory with a total gross floor area of approximately 14,667 sq.m. completed in the period between 2002 and 2003 and is currently occupied by the Group for industrial and staff quarter uses.</p> <p>The property is currently leased from an independent third party to the Group for a term for 7 years from 1 January 2008 to 31 December 2014 with a monthly rent of RMB100,000.</p> <p>According to the PRC legal opinion, the lease is legal, valid, binding on both parties and enforceable.</p>	No commercial value
7.	No. 15 North Guangcong Commercial Street, First Industrial Zone, Zhuliao Town, Baiyun District, Guangzhou, Guangdong Province, the PRC	<p>The property comprises 3 workshops and 4 dormitories with a gross floor area of approximately 13,323.80 sq. m. and 8,681.83 sq. m. respectively. The property was completed in the period between 1992 and 1995. The property is currently occupied by the Group for industrial and staff quarter uses.</p> <p>The property is currently leased from two independent third parties to the Group for a term for 10 years from 1 July 2009 to 30 June 2019 with a monthly rent and a venue hire charge of RMB154,039.41.</p> <p>According to the PRC legal opinion, the property is located on a house site and it is temporarily planned for industrial use subject to confirmation from the Guangzhou Planning Bureau. However, there is uncertainty for the landlord to perfect the land use procedures and obtain the certificate of title of the property and the Group may be required to relocate its production facilities.</p> <p>Moreover, two blocks of building and the third floor of a workshop are temporary structures. The said temporary structures do not have relevant planning permits, construction permits and building ownership certificates, and such structures may be subject to demolition by the local competent authority and a fine.</p>	No commercial value

VALUATION CERTIFICATE

		Capital value in existing state as at 30 November 2010
Property interest	Description and tenure	
8.	<p>No. 5 North District of Mingliang Road, First Industrial Zone, Zhuliao Town, Baiyun District, Guangzhou, Guangdong Province, the PRC</p> <p>The property comprises a dormitory with a gross floor area of approximately 4,793 sq.m. completed in 1996 and is currently occupied by the Group for industrial use.</p> <p>The property is currently leased from an independent third party to the Group for a term for 10 years from 1 April 2004 to 31 March 2014 with a monthly rent of RMB33,551.</p> <p>According to the PRC legal opinion, the property is located on a house site and it is temporarily planned for industrial use subject to confirmation from the Guangzhou Planning Bureau. However, there is uncertainty for the landlord to perfect the land use procedures and obtain the certificate of title of the property and the Group may be required to relocate its production facilities.</p>	No commercial value
9.	<p>No. 8 Zhengliang Road, First Industrial Zone, Zhuliao Town, Baiyun District, Guangzhou, Guangdong Province, the PRC</p> <p>The property comprises a workshop with a gross floor area of approximately 16,546.47 sq.m. completed in 2002 and is currently occupied by the Group for industrial use.</p> <p>The property is currently leased from an independent third party to the Group for terms due to expire on 30 June 2019 with a total monthly rent and a venue hire charge of RMB132,371.76.</p> <p>According to the PRC legal opinion, the property is located on a house site and it is temporarily planned for industrial use subject to confirmation from the Guangzhou Planning Bureau. However, there is uncertainty for the landlord to perfect the land use procedures and obtain the certificate of title of the property and the Group may be required to relocate its production facilities.</p>	No commercial value
10.	<p>Room 19A, North area of Hubei Building, No. 9003 of Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC</p> <p>The property comprises an office unit on the 19th floor of a 29-story office building completed in 2000 and is currently occupied by the Group for office use.</p> <p>The property has a gross floor area of approximately 630 sq.m..</p> <p>The property is currently leased from an independent third party to the Group for a term from 1 August 2010 to 31 July 2011 with a monthly rent of RMB27,090 (exclusive of management fee and other charges).</p> <p>According to the PRC legal opinion, the lease is legal, valid, binding on both parties and enforceable.</p>	No commercial value

VALUATION CERTIFICATE

	Property interest	Description and tenure	Capital value in existing state as at 30 November 2010
11.	Room 19B, North area of Hubei Building, No. 9003 of Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC	<p>The property comprises an office unit on the 19th floor of a 29-story office building completed in 2000 and is currently occupied by the Group for office use.</p> <p>The property has a gross floor area of approximately 370 sq.m..</p> <p>The property is currently leased from an independent third party to the Group for a term from 1 August 2010 to 31 July 2011 with a monthly rent of RMB15,910 (exclusive of management fee and other charges).</p> <p>According to the PRC legal opinion, the lease is legal, valid, binding on both parties and enforceable.</p>	No commercial value
12.	Room 27A and 27B, North area of Hubei Building, No.9003 of Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the PRC	<p>The property comprises two office units on the 27th floor of a 29-story office building completed in 2000 and is currently occupied by the Group for office use.</p> <p>The property has a total gross floor area of approximately 1,000 sq.m..</p> <p>The property is currently leased from an independent third party to the Group for a term from 26 October 2008 to 25 June 2011 with an initial monthly rent of RMB43,000 which was increased to a monthly rent of RMB44,000, between 26 June 2009 and 25 June 2010, and RMB45,000 between 26 June 2010 and 25 June 2011 (exclusive of management fee and other charges).</p> <p>According to the PRC legal opinion, the lease is legal, valid, binding on both parties and enforceable.</p>	No commercial value
Group IV – Property leased to the Group in Luxembourg			
13.	6 C, Parc d'Activité Syrdall, L-5365 MUNSBACH, Luxembourg	<p>The property comprises an office unit on the 2nd floor of a 4-storey office building completed in 2004 and is currently occupied by the Group for office use.</p> <p>The property has a gross floor area of approximately 9.5 sq.m..</p> <p>The property is currently leased from an independent third party to the Group commences on 29 October 2009 for an indefinite period with a monthly rent of EUR820.</p>	No commercial value

VALUATION CERTIFICATE

Group V – Property leased to the Group in USA

	Property interest	Description and tenure	Capital value in existing state as at 30 November 2010
14.	4915 SW Griffith Dr., Suite #205 Park Place Corporate Center Beaverton, Oregon, USA	<p>The property comprises an office unit on the 2nd floor of a 3-storey office building completed in 1988 and is currently occupied by the Group for office use.</p> <p>The property has a gross floor area of approximately 225.10 sq.m..</p> <p>The property is currently sub-leased from an independent third party to the Group from 1 June 2010 to 31 May 2015 with a monthly rent of US\$3,029.</p>	No commercial value

Group VI – Properties leased to the Group in Germany

15.	Industriestrasse 6, 64653 Lorsch, Germany	<p>The property comprises a production warehouse with a 2-storey office annex completed in 1970s and is currently occupied by the Group for warehouse and office uses.</p> <p>The property has a net floor area of approximately 814 sq.m.</p> <p>The property is currently leased from an independent third party to the Group for a periodical term, which is indefinite but can be terminated by either party in accordance with German statutory regulations or as stated in the lease, from 1 July 2010 with a monthly rent of EUR4,960.</p>	No commercial value
16.	Kastanienallee 8-10, 64653 Lorsch, Germany	<p>The property comprises a single storey warehouse with offices on mezzanine, a detached single store office building completed in 1970s and is currently occupied by the Group for warehouse and office uses.</p> <p>The property has a gross floor area of approximately 802 sq.m..</p> <p>The property is currently leased from an independent third party to the Group for a periodical term, which is indefinite but can be terminated by either party in accordance with German statutory regulations or as stated in the lease, from 2 November 2009 with a monthly rent of EUR7,500.</p>	No commercial value
17.	Seehofstrasse 64-66, 64653 Lorsch, Germany	<p>The property comprises a single storey warehouse complex completed in 1970s and is currently occupied by the Group for warehouse and office uses.</p> <p>The property has a net floor area of approximately 266 sq.m..</p> <p>The property is currently leased from an independent third party to the Group for a periodical term, which is indefinite but can be terminated by either party in accordance with German statutory regulations or as stated in the lease, from 1 November 2009 with a monthly rent of EUR510.</p>	No commercial value