

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent valuer, in connection with its valuation as at 30 November 2009 of the property interests of the Group.

15 December 2009

Cushman & Wakefield Valuation Advisory Services (HK) Limited

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The Board of Directors
Schramm Holding AG
Unit 07, 25th Floor
Tower 1, Lippo Centre
No. 89 Queensway
Hong Kong

Dear Sirs,

Preliminary

In accordance with your instructions to value the properties in which Schramm Holding AG (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in Hong Kong, The People’s Republic of China (“The PRC”), Germany, The Republic of Korea (“South Korea”), Kingdom of Spain (“Spain”), Taiwan and Kingdom of Thailand (“Thailand”). We confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 30 November 2009 (the “date of valuation”).

Basis of Valuation

Our valuations of the property interests represent the “market value” which we would define as intended to mean “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”.

The valuation has been prepared in accordance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards (6th Edition) published by The Royal Institution of Chartered Surveyors and effective from 1 January 2008; and The HKIS Valuation Standards on Properties (2005, First Edition) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

Valuation Assumptions

Our valuations have been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

As the properties in Group II are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the properties for the whole of the unexpired term of the land use rights.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued 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 an onerous nature, which could affect their values.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and/or official plans handed to us by the Group are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Site Inspection

We have inspected the exterior and, where possible, the interior 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 on any of the services.

Valuation Methodology

We have valued the property interests in Groups I and III by the direct comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

In valuing the industrial properties in Group II which are held for owner occupation by the Group, due to the nature of the buildings and structures that were constructed, there are no readily identifiable market evidences, the buildings and structures cannot be valued on the basis of direct comparison; we have considered their values on the basis of their depreciated replacement costs.

Depreciated replacement cost is based on an estimate of the market value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

The depreciated replacement costs of the properties generally provide the most reliable indication of values for the properties in the absence of a known market based on comparable sales.

We have attributed no commercial value to the property interests in Groups IV, V, VI, VII and VIII, which are leased by the Group, due either to the short-term nature of the leases or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Source of Information

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, identification of the properties and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Title Investigations

We have been, in some instances, provided by the Group with extracts of the title documents relating to the property interests in the PRC, Germany and Spain, and have caused searches to be made at local land registries of Germany, Hong Kong, South Korea, Spain, Taiwan and Thailand in respect of the relevant properties respectively. Where possible, we have searched the original documents to verify the existing titles to the property interests in Groups I, II and III and any material encumbrances that might be attached to the properties or any lease amendments which may not appear on the copies handed to us. We have relied considerably on the advice given by the Company's legal advisers as to the relevant laws - Hills & Co. in the PRC, Lee International IP & Law Group in South Korea and International Legal Counsellors Thailand Ltd. in Thailand, concerning the validity of the Group's titles to the property interests.

Currency & Exchange Rate

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollars (HK\$). The exchange rates adopted in our valuations are approximately European Dollar (Euro)1 = HK\$11.622, Renminbi Yuan (RMB)1 = HK\$1.1348, Korean Won (KRW)1 = HK\$0.0066, New Taiwanese Dollar (NT\$)1 = HK\$0.2396 and Thai Baht (Baht)1 = HK\$0.2297 which were approximately the prevailing exchange rates as at the date of valuation.

Our valuations are summarised below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Cushman & Wakefield Valuation Advisory Services (HK) Limited
Vincent K. C. Cheung
Registered Professional Surveyor (GP)
BSc(Hons) MBA MRICS MHKIS
Director

Note: Mr Vincent K. C. Cheung holds a Master Degree of Business Administration and a Bachelor Degree (Hons) in Real Estate and he is a Registered Professional Surveyor with over 12 years' experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr Cheung is a member of The Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr Cheung is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

SUMMARY OF VALUES

Group I — Property interest owned and occupied by the Group in Germany

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 attributable to the Group HK\$
1. Postfach 10 17 63 63017 Offenbach/ Main Kettelerstraße 100 Germany	145,390,000	100%	145,390,000
Sub-total:	<u>145,390,000</u>		<u>145,390,000</u>

Group II — Property interests owned and occupied by the Group in the PRC

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 attributable to the Group HK\$
2. Phase 1 to Phase 3 of an industrial facility located at No. 11 Huoju Road Beizhakou Town Jinnan District Tianjin The PRC	36,320,000	100%	36,320,000
3. An industrial facility located at Ganpo Village Hanya Section Zhenlong Town Huiyang District Huizhou City Guangdong Province The PRC	8,680,000	100%	8,680,000
Sub-total:	<u>45,000,000</u>		<u>45,000,000</u>

Group III — Property interest owned and occupied by the Group in Spain

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 attributable to the Group HK\$
4. An industrial facility located at Carrer Fornal 6-10 Can Comelles Sud Industrial Estate Esparreguera Barcelona Spain	25,610,000	100%	25,610,000
Sub-total:	<u>25,610,000</u>		<u>25,610,000</u>

Group IV — Property interest leased and occupied by the Group in Hong Kong

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 attributable to the Group HK\$
5. Room 2507 on 25/F of Tower One Lippo Centre No. 89 Queensway Hong Kong	No commercial value	N/A	Nil
Sub-total:	<u>Nil</u>		<u>Nil</u>

Group V — Property interests leased and occupied by the Group in the PRC

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 HK\$
6. An industrial facility located at No. 338 Yingxiu Road Qingpu District Shanghai The PRC	No commercial value	N/A	Nil
7. Various buildings within an industrial facility located at No. 11 Qishan Road Area 3-9 Yantai Economic Development Area Zhifu District Yantai City Shandong Province The PRC	No commercial value	N/A	Nil
Sub-total:	Nil		Nil

Group VI — Property interests leased and occupied by the Group in South Korea

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 HK\$
8. 629-3 Sunggok-Dong Danwon-Ku Ansan City Kyunggi Province South Korea	No commercial value	N/A	Nil
9. 315-4 Bonsan-ri Jinyoung-eup Kimhae-si Kyungnam Province South Korea	No commercial value	N/A	Nil
Sub-total:	Nil		Nil

Group VII — Property interest leased and occupied by the Group in Taiwan

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 HK\$
10. No. 8 Alley 101 Sanlong Street Shulin City Taipei County Taiwan	No commercial value	N/A	Nil
Sub-total:	<u>Nil</u>		<u>Nil</u>

Group VIII — Property interest leased and occupied by the Group in Thailand

No. Property	Market Value in existing state as at 30 November 2009 HK\$	Interest attributable to the Group	Market Value in existing state as at 30 November 2009 HK\$
11. An industrial facility located at General Industrial Zone Amata City Industrial Estate Rayong Province Thailand	No commercial value	N/A	Nil
Sub-total:	<u>Nil</u>		<u>Nil</u>
Grand-total:	<u>216,000,000</u>		<u>216,000,000</u>

VALUATION CERTIFICATE

Group I — Property interest owned and occupied by the Group in Germany

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 HK\$
1.	Postfach 10 17 63 63017 Offenbach/ Main Kettelerstraße 100 Germany	<p>The property comprises two adjoining sites with a total site area of approximately 49,601 square metres, on which are erected 37 buildings and various ancillary structures completed in various stages between 1950 and 2009.</p> <p>The total gross floor area of the buildings is approximately 27,445 square metres.</p> <p>The buildings include ten production workshops, six storages, five office/laboratories, a social area, 11 technical facilities and three ancillary buildings.</p> <p>The property improvements and structures mainly include car parking area of approximately 161 square metres, roads and boundary walls.</p> <p>The property is held in freehold ownership.</p>	The property is currently occupied by the Group for production, warehouse and office purposes.	145,390,000 (100% interest attributable to the Group: HK\$145,390,000)

Notes:

- Pursuant to the entry one of the Land Registry extract, No. 4269 issued by Magistry Court Offenbach am Main dated 26 February 2008, the equivalent freehold owner of the property is Schramm Coatings.

Details of the two sites are listed as follows:

Land Parcel				
Ref. No.	Cadastral Section	Plot	Description	Site Area (sq m)
50	7	123/1	Way, In der Oberwiese	124
60	7	253/5	Property and open space Mühlheimer Straße 164 Kettelerstraße 100	49,477
				<u>49,601</u>

- We do not regard the two entries in section II of the land registry regarding rights to operate a power/heating plant and a pipeline wayleave to have an impact on the Market Value. Such entries are a common feature of title documents and assumed to be reflected by the current development. They usually do not lead to reductions in Market Value and therefore we have regarded this as having a neutral effect.

3. Details of the buildings existing on the subject site are listed as follows:

No.	Building	Gross Floor Area (sq m)	No. of Storey
01	Production Workshop	600	3-storey
03	Electrical Sub-station (South)	100	1-storey
04	Production Workshop	90	1-storey
05	Production Workshop	1,950	1-storey
06	Production Workshop	3,870	3-storey
07	Production Workshop/Storage	780	3-storey
08	Filling/Laboratory	1,900	3-storey
09	Solvent-filling Workshop	120	3-storey
10	Binder-filling Workshop	50	2-storey
11	Synthetic Resin Production Workshop	1,080	1-storey
12	Ancillary Building	520	1-storey
13	Powder Production Workshop	1,120	2-storey
14	Powder Production Workshop/Storage	820	1-storey
15/16	Factory/Cafeteria/Social Area	1,460	2-storey
17	Ancillary Building	230	2-storey
18	Re-cooling System Room	130	2-storey
23	Raw Materials Warehouse	490	1-storey
24 & 24/1	Raw Materials Warehouse/Cleaner Unit	585	1-storey
27	Laboratory/Ventilating System	850	1-storey
40	Tank Storage	95	1-storey
42	Finished Goods Warehouse/Shipping	140	1-storey
43 & 43/1 & 43/2	VbF-storage/CO ₂ Extinguisher Unit	2,000	1-storey
44	Weighbridge	45	1-storey
45	Administration Office	1,560	3-storey
46	Storage	860	1-storey
50	Laboratory Research and Development	1,260	3-storey
51	Waste Collection Hall	230	1-storey
52	Synthetic Resin Production/Cleaning	1,200	4-storey
53	Electrical Sub-station (North)	25	1-storey
54	Production Workshop	2,280	3-storey
55	Production Workshop	150	1-storey
56	Emergency Power Supply for Synthetic Resin Production	10	1-storey
57	Tkw-filling & Tank	120	1-storey
58	Nitrogen Tank	15	1-storey
59	Fire Services Water Storage Tank	210	1-storey
100	Office Holding	500	2-storey
Total:		<u>27,445</u>	

4. Schramm Coatings is a wholly-owned subsidiary of the Company.

5. Our valuation conclusion is reached having regard to the valuation report undertaken by Mr Albert Koutny, a qualified surveyor who has eight years' valuation experience in respect of properties in Germany and is a member of the Royal Institution of Chartered Surveyors.

VALUATION CERTIFICATE

Group II — Property interests owned and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
2.	Phase 1 to Phase 3 of an industrial facility located at No. 11 Huoju Road Beizhakou Town Jinnan District Tianjin The PRC	<p>The property comprises Phases 1 to 3 of an industrial facility formed by three adjoining land parcels with a total site area of approximately 44,740.4 square metres. Phases 1 and 2 of the industrial facility have been completed in 2004 and 2008 respectively; while Phase 3 is currently a bare site and is ready for development.</p> <p>The total gross floor area of the buildings in Phase 1 and Phase 2 of the property are approximately 5,343.20 square metres and 4,771.51 square metres (Please refer to Note 1 below) respectively.</p> <p>The buildings of Phase 1 comprises a guardhouse, a workshop/warehouse and two composite buildings; the property improvements and structures of Phase 1 mainly comprise covered parking area, oil storage area, refuge storage area, covered open storage, roads and boundary walls.</p> <p>The buildings of Phase 2 comprises two workshops, a warehouse and an ancillary room; the property improvements and structures of Phase 2 mainly comprise covered open storage, roads and boundary walls.</p> <p>The land use rights of Phase 1 and Phase 2 of the subject property were granted for a term expiring on 19 August 2053 for industrial uses.</p>	Phases 1 and 2 of the property are currently occupied by the Group for production, warehouse and office purposes; Phase 3 is currently a bare site and is ready for development.	<p>36,320,000</p> <p><i>(100% interest attributable to the Group: HK\$36,320,000)</i></p>

Notes:

- Pursuant to a Tianjin Real Estate Title Certificate, Fang Di Zheng Jin Zi Di No. 112010908331 jointly issued by the People's Government of Tianjin and Tianjin State-owned Land Resources and Administration Bureau dated 20 November 2009, the land use rights of Phase 1 and Phase 2 of the property with a total site area of 26,279.9 square metres, and the building ownership rights of Phase 1 and Phase 2 of the property with a total gross floor area of 10,114.71 square metres were vested in Schramm Tianjin. The land use rights were granted for a term expiring on 19 August 2053 for industrial uses.

Details of the buildings are listed as follows:

Building Name	Phase	Gross Floor Area (sq m)	No. of Storey
Guardhouse	Phase 1	31.57	1-storey
Warehouse/Workshop	Phase 1	2,450.00	1-storey
Warehouse	Phase 1	1,098.12	2-storey
Composite Building	Phase 1	1,763.51	3-storey
Sub-total (Phase 1):		<u>5,343.20</u>	
Workshop	Phase 2	1,750.00	1-storey
Ancillary Room	Phase 2	918.00	1-storey
Warehouse	Phase 2	942.45	2-storey
Workshop	Phase 2	1,161.06	1-storey
Sub-total (Phase 2):		<u>4,771.51</u>	
Grand Total:		<u><u>10,114.71</u></u>	

2. Pursuant to a Tianjin State-owned Land Use Rights Grant Contract, Jin Nan 2004 (Xie) Di No. 097 dated 21 January 2005 entered into between the Planning and State-owned Land Resources Bureau, Tianjin Jinnan Branch and Schramm Tianjin, the land use rights of Phase 2 of the property with a site area of 12,937.97 square metres were granted to Schramm Tianjin at a consideration of RMB1,358,487 for industrial use.
3. Pursuant to a Tianjin State-owned Land Use Rights Grant Contract, Jin Nan 2006 (Xie) Di No. 17 dated 25 April 2006 entered into between the Planning and State-owned Land Resources Bureau, Tianjin Jinnan Branch and Schramm Tianjin, the land use rights of Phase 3 of the property with a site area of 18,460.5 square metres were granted to Schramm Tianjin at a consideration of RMB1,846,050 for industrial use. The term is for 50 years commencing on the date of handover of the land from the grantor to the grantee. According to the contract, the land is subject to a minimum plot ratio of 0.4, a maximum site coverage of 50%, a building height restriction of 15 metres, and a minimum landscaping ratio of 30%.
4. Pursuant to three receipts, Nos. 0281658, 2552691 and 2552754, and a Tianjin Financial Bureau Standard Receipt with an amount of RMB200,000 dated 13 October 2004, Schramm Tianjin has paid Tianjin Financial Bureau a total of RMB1,846,050 as the land premium for Phase 3 of the property.
5. Pursuant to a Construction Land Use Planning Permit, 2006 (Gui) No. 016 issued by the Planning and State-land Resources Bureau of Tianjin, Jinnan Branch to Schramm Tianjin dated 28 April 2006, formalities of the proposed land use of Phase 3 with a site area of 17,600 square metres was approved to be processed.
6. Pursuant to a Construction Project Planning Permit, 2008 Jin Nan Jian Zheng No. 113 issued by the Planning Bureau of Tianjin, Jinnan Branch dated 20 October 2008, Schramm Tianjin was permitted to construct Phase 3 of the property (including a laboratory, a guardhouse and a pump room) with a total planned gross floor area of 7,557.77 square metres.
7. Pursuant to a Construction Works Commencement Permit, No. 12112011200812040 issued by the Construction Administration Committee of Tianjin, Jinnan Branch to Schramm Tianjin dated 31 December 2008, the construction works of Phase 3 of the property with a total planned gross floor area of 7,557.77 square metres was approved to commence. However, if the construction works did not start within three months from the date of issue, the Construction Works Commencement Permit will be invalidated automatically.

8. Schramm Tianjin is a wholly-owned subsidiary of the Company.
9. In the course of our valuation, we have attributed no commercial value to the land of Phase 3 as it is yet to be granted with proper title certificate. For reference purposes, we are of the opinion that the market value of the land, assuming it is been granted with the proper title certificate and is freely transferable as at the date of valuation, would be HK\$6,980,000.
10. During our on-site inspection we have identified several temporary building structures with a total gross floor area of approximately 254.39 square metres. They include two transformer rooms, a power distribution room, a boiler room, an air compression room and a charger room. In our valuation we have disregarded the values of these temporary structures.
11. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's PRC legal adviser, which contains, inter alia, the following:
 - a. Schramm Tianjin has completed necessary legal procedure to obtain the Tianjin Real Estate Title Certificate for the land and buildings of Phase 1 and Phase 2. As per the abovementioned certificate, the land use rights and the building ownerships rights of the property are vested in Schramm Tianjin; such rights are legal, effective and are protected by PRC law. As confirmed by Schramm Tianjin, Phase 1 and Phase 2 were developed in accordance with the relevant State-owned Land Use Right Grant Contracts, and the investment to date has reached 25% of the total required investment (excluding land grant fee). However, 70% of the title deed tax for the land of Phase 1 has not been paid by Schramm Tianjin; Schramm Tianjin is authorized by law to transfer, let and mortgage the property, but Schramm Tianjin should settle all the remaining 70% title deed tax before the transfer of the land of Phase 1;
 - b. Schramm Tianjin has the right to occupy and use the land and the buildings erected thereon of Phase 1 and Phase 2 in accordance with the permitted uses during the land use rights term. As confirmed by Schramm Tianjin and upon review by Hills & Co., up till the date of issuance of the opinion of Hills & Co., the property is used for its permitted uses, and such uses are legal, effective and protected by PRC law;
 - c. The Tianjin State-owned Land Use Rights Grant Contract as mentioned in Note 3 above is legal and effective. Schramm Tianjin has fully settled all the land grant fee and title deed taxes. As the land of Phase 3 has remained idle for more than two years and the Construction Works Commencement Permit has been invalidated as a result of the commencement date of construction having expired, the government authorities have the right to forfeit the land of Phase 3 at any time and to charge Schramm Tianjin a land idle fee up to 20% of the land premium. Nevertheless, according to the "Notice of Consent to Schramm Tianjin regarding the Extension of Construction Completion", Jin Guo Tu Fang Jin Nan Fa [2009] No. 251 issued by the Planning and State-owned Land Resources Bureau, Tianjin Jinnan Branch ("the Bureau") dated 3 December 2009, the permitted completion date of the construction of Phase 3 has been extended to 31 December 2010, and the aforesaid land idle fee could be waived subject to a commitment between the Bureau and Schramm Tianjin that the construction on Phase 3 site should be completed on or before the end date of the extension period (i.e. 31 December 2010), otherwise the land and structures erected on Phase 3 site would be resumed by the Bureau without any compensation. There would be no legal impediment for Schramm Tianjin to obtain the relevant title certificates for the Phase 3 site and the buildings if Schramm Tianjin can complete the construction according to the requirements of the government authorities by 31 December 2010;
 - d. As confirmed by Schramm Tianjin and reviewed by Hills & Co., the property is not subject to any lien, mortgage, permission and other third party encumbrances, and has not been restricted by any abnormal provision or unreasonable stipulations or distinctive restrictions; and

- e. Regarding the temporary building structures mentioned in Note 10 above:
 - i. If these building structures are to be in contravention of the “City and Town Planning Law of the PRC” and relevant legal requirements by the government authorities, the government authorities have the right to impose certain penalties (including orders to demolish structures within a prescribed period and fines) to Schramm Tianjin. As confirmed by Schramm Tianjin, these building structures are not the main production facilities such that any demolition, if required, will not cause substantial impact to the productions and operations of Schramm Tianjin; as at the current date, Schramm Tianjin has not received any notice imposing the order for demolition or fines from the government authorities; and
 - ii. If these building structures are found by the government authorities to require approvals prior to their construction, Schramm Tianjin may be fined as the relevant construction approvals for these building structures have not been obtained. However the amount of applicable fines has not been stated clearly in the relevant laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 HK\$
3.	An industrial facility located at Ganpo Village Hanya Section Zhenlong Town Huiyang District Huizhou City Guangdong Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 13,300 square meters, on which are erected four buildings and various ancillary structures completed in about 2004.</p> <p>The total gross floor area of the buildings is approximately 4,261.23 square meters.</p> <p>The buildings include a workshop, a warehouse, a dormitory and main office.</p> <p>The property improvements and structures mainly include a covered storage area, roads and boundary walls.</p> <p>The property was transferred to Schramm Tianjin from an individual third party with land use rights expiring on 17 December 2052 for industrial use.</p>	<p>The property is currently leased to Schramm Huizhou pursuant to a tenancy agreement for a term of three years expiring on 31 December 2009 at a monthly rent of RMB42,000.</p>	<p>8,680,000</p> <p><i>(100% interest attributable to the Group: HK\$8,680,000)</i></p>

Notes:

- Pursuant to a Land Use Rights Transfer Agreement dated 6 March 2007 entered into between Schramm Tianjin and 惠州市華立升實業有限公司 (“Huizhou Hualisheng”), the land use rights of the subject site with a site area of 13,300 square metres were transferred to Schramm Tianjin at a consideration of RMB1,609,300. The land use rights to be held by Schramm Tianjin would be for a term commencing on 6 March 2007 and expiring on 17 December 2052 for industrial use.
- Pursuant to four Real Estate Sale and Purchase Agreements all dated 24 January 2007 entered into between Schramm Tianjin and Huizhou Hualisheng, Schramm Tianjin agreed to purchase the four buildings erected on the subject site with a total gross floor area of 4,261.23 square meters from Huizhou Hualisheng, at a total consideration of RMB 2,130,615.
- Pursuant to a State-owned Land Use Rights Certificate, Hui Yang Guo Yong (2007) Di No. 0700078 issued by the People’s Government of Huizhou City dated 15 August 2007, the land use rights of the property with a site area of 13,300 square metres were granted to Schramm Tianjin for a term expiring on 17 December 2052 for industrial use.

4. Pursuant to four Real Estate Title Certificates, Yue Fang Di Zheng Zi No. C3631016, C3631017, C3631018 and C3631019 issued by the People's Government of Huiyang District, Huizhou City all dated 31 January 2007, the building ownerships rights of four buildings of the property with a total gross floor area of 4,261.23 square meters were vested in Schramm Tianjin with details as follows:

Building	Certificate No.	Gross Floor Area <i>(sq m)</i>	No. of Storey
Warehouse	C3631016	1,200.00	1-storey
Workshop	C3631017	1,248.00	1-storey
Main Office	C3631018	725.70	2-storey
Dormitory	C3631019	<u>1,087.53</u>	3-storey
Total:		<u>4,261.23</u>	

5. Pursuant to a tenancy agreement (the "Tenancy Agreement") entered into between Schramm Tianjin and Schramm Huizhou (the "lessee") dated 29 August 2007, the property was leased to the lessee for a term of three years commencing on 1 January 2007 and expiring on 31 December 2009 at a monthly rent of RMB42,000 exclusive of water, electricity, communications, cleansing charges, and the taxes and other expenses to be assumed by the lessee associated from the tenancy.
6. Schramm Tianjin and Schramm Huizhou are wholly-owned subsidiaries of the Company.
7. During our on-site inspection we have identified several temporary building structures with a total gross floor area of approximately 92.76 square metres. These include a guardhouse, two power distribution rooms and a fire services control room. In our valuation we have disregarded the values of these temporary structures.
8. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's PRC legal adviser, which contains, inter alia, the following:
- a. The Land Use Rights Transfer Agreement and the Real Estate Sale and Purchase Agreements as mentioned in Notes 1 and 2 above are effective and legal and Schramm Tianjin has already fully settled all consideration and relevant tax for the abovementioned agreements. Schramm Tianjin has completed necessary legal procedure to obtain State-owned Land Use Right Certificate and Real Estate Title Certificates for the property. As per the abovementioned certificates, the land use rights and the building ownership rights of the property are vested in Schramm Tianjin; such rights are legal, effective and are protected by PRC law. Schramm Tianjin is authorized by law to transfer, let and mortgage the property;
 - b. Schramm Tianjin has the right to occupy and use the subject land and the buildings erected thereon in accordance with the permitted uses during the land use rights term. As confirmed by Schramm Tianjin and upon review by Hills & Co., up till the date of issuance of the legal opinion of Hill & Co., the property is used in accordance with its permitted uses, and such use is legal, effective and protected by PRC law;
 - c. As confirmed by Schramm Tianjin and upon review by Hills & Co., the property has not been transferred and is not subject to any lien, mortgage, tenancy (save for Note 5 above), permission and other third party encumbrances, and has not restricted by any abnormal provision or unreasonable stipulations or distinctive restrictions;
 - d. Schramm Tianjin is the registered owner of the property and has the rights to lease the property;

- e. The property has fulfilled the relevant leasing requirements, and Schramm Tianjin had completed all necessary tenancy registration procedures. The Tenancy Agreement is legal, effective and mutually binding between Schramm Tianjin and Schramm Huizhou, and the tenancy can be enforced by law;
- f. During the lease term, Schramm Huizhou has the legal rights to use the property and has the other appropriate rights and obligation to use the property according to the Tenancy Agreement and concerning laws and regulation for product facility use. According to the Confirmation Letter issued by Schramm Huizhou and the due diligence investigation carried out by Hill & Co., Schramm Huizhou is using the property for the aforesaid purpose and the rights of use, leasing or occupation of the property have not been, wholly or partially re-leased, granted, authorized or transferred to any third party by Schramm Huizhou. The property has not been mortgaged or encumbered with any other third party rights and interests;
- g. According to the Confirmation Letter issued by Schramm Huizhou and the due diligence investigation carried out by Hill & Co., the Tenancy Agreement is duly performed by Schramm Huizhou and no party engaged into the Tenancy Agreement has breached any terms of the Tenancy Agreement and therefore there is no foreseeable reason that would cause any challenge or penalty from the relevant government authorities due to the breach of the Tenancy Agreement;
- h. According to the Confirmation Letter issued by Schramm Huizhou and the due diligence investigation carried out by Hill & Co., Schramm Huizhou has not received any notice, order or suggestion from the government authorities in respect of the property which would affect the value of the property, or the continuation of use of the property under the Tenancy Agreement. There is no unreasonable or abnormal undertakings, terms, conditions or restriction on the Tenancy Agreement engaged by Schramm Huizhou; and
- i. Regarding the temporary building structures mentioned in Note 7 above:
 - i. If these building structures were considered as in contravention of the “City and Town Planning Law of the PRC” and relevant legal requirements by the government authorities, the government authorities have the right to impose certain penalties (including orders to demolish structures within a prescribed period and fines) to Schramm Tianjin. As confirmed by Schramm Tianjin, these building structures are not the main production facilities such that any demolition, if required, will not cause substantial impact to the productions and operations of Schramm Tianjin; as at the current date, Schramm Tianjin has not received any notice or order for demolition or fines from the government authorities; and
 - ii. If these building structures are considered by the government authorities a prior approval should be pursued before the construction, Schramm Tianjin may be fined. However the exact amount of fines has not been stated clearly in the relevant laws.

VALUATION CERTIFICATE

Group III — Property interest owned and occupied by the Group in Spain

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
4.	An industrial facility located at Carrer Fornal 6-10 Can Comelles Sud Industrial Estate Esparreguera Barcelona Spain	<p>The property comprises a parcel of land formed by two merged sites (now registered as a single plot) with a registered total site area of approximately 4,500 square metres, on which are erected two buildings completed in about 2000.</p> <p>The total gross floor area of the buildings is approximately 2,225 square metres.</p> <p>The property comprises two detached industrial buildings containing a storage/production warehouse and a detached ancillary two-storey administrative office/laboratory building.</p> <p>The property is held in freehold ownership.</p>	The property is currently occupied by the Group for production, warehouse, office and laboratory purposes.	25,610,000 <i>(100% interest attributable to the Group: HK\$25,610,000)</i>

Notes:

- The subject site is held by Schramm Spain as pursuant to the title deed No. 1385/98 issued by the notary of José Antonio Buitrón Crespo, Martorell dated 12 May 1998.
- Legal registered documentation relating to the declaration of subsequent new construction works of the two buildings within the site ownership was recently applied for. Such buildings and their corresponding built metres are included in the Catastral Register number 4803703DG0040S0001DO. Such register refers to the construction of the subject buildings being of the year 2000, with a gross floor area of 2,225 square metres being erected on the site situated at Can Comelles Sud Industrial Estate, 11 Esparreguera, Barcelona for industrial use. In addition, we have been provided with a Final Declaration of Construction Works dated 15 March 2000. The owner has now registered the existence of the two buildings with this document at the concerning local authority and has now received a copy of such updated registered title deeds referring to both land and buildings.
- The registered title is subject to an easement in relation to the finding and conduction of an underlying aquifer in favour of the Sociedad Aguas de Esparraguera Vidal, S.A., registered in 24 December 1982. We note in the geotechnical report dated September 1998 that such aquifer was not found from soil tests undertaken up to eight metres deep and the report comments that it is likely to be located around 10 to 15 metres deep and that at such level it is likely to be a small and localised aquifer of little importance. The documentation otherwise refers to the title being free from any other easement or limitation or restriction over its ownership.
- Our valuation conclusion is reached having regard to the valuation report undertaken by Mr James Bird, a qualified chartered surveyor who has nine years' valuation experience in respect of properties in Spain (15 years overall having previously work in valuations in the United Kingdom) and is a member of the Royal Institution of Chartered Surveyors.

VALUATION CERTIFICATE

Group IV — Property interest leased and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
5.	Room 2507 on 25/F of Tower One Lippo Centre No. 89 Queensway Hong Kong (129/1,000th of 1,289/102,750th parts or shares of and in Inland Lot No. 8615)	The property comprises a unit on Level 25 of a 40-storey office tower, which is erected upon a four-storey retail podium plus two basement levels. The subject development was completed in about 1988. The property has a gross floor area of approximately 2,079 square feet. The property is currently leased by Schramm Hong Kong from an independent third party for a term of two years at a monthly rent of HK\$51,975 exclusive of rates, management fees and utilities charges but is inclusive of government rent.	The property is currently occupied by the Group for office purposes.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Manwick Enterprises Limited and Schramm Hong Kong dated 14 July 2009, the property was leased to Schramm Hong Kong for a term of two years commencing on 1 June 2009 and expiring on 31 May 2011 at a monthly rent of HK\$51,975 exclusive of rates, management fees and utilities charges but is inclusive of government rent.
2. Schramm Hong Kong is a wholly-owned subsidiary of the Company.
3. The registered owner of the property is Manwick Enterprises Limited registered vide Memorial No. UB7043697 dated 6 March 1997. The consideration of the property was HK\$42,900,000 (part).
4. The subject development is subject to a Deed of Mutual Covenant registered vide Memorial No. UB3824584 dated 31 August 1988.
5. The subject development is subject to a Certificate of Compliance from District Lands Office, Hong Kong West registered vide Memorial No. UB3824585 dated 31 August 1988.
6. The subject development is subject to another Certificate of Compliance from Register General's Department registered vide Memorial No. UB3832333 dated 8 September 1988.
7. The subject development is subject to a Supplemental Deed of Mutual Covenant registered vide Memorial No. UB4877936 dated 27 June 1991.
8. The subject development is subject to a Building Management Agreement registered vide Memorial No. UB4956580 dated 29 August 1991.

9. The subject development is subject to a Deed of Covenant registered vide Memorial No. UB6414976 dated 8 September 1995.
10. The subject property is subject to a mortgage to secure all moneys in respect of general banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide Memorial No. 07070502260369 dated 13 June 2007.
11. The subject property is subject to a rent assignment in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide Memorial No. 07070502260374 dated 13 June 2007.
12. The tenancy agreement has been duly stamped.

VALUATION CERTIFICATE

Group V — Property interests leased and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
6.	An industrial facility located at No. 338 Yingxiu Road Qingpu District Shanghai The PRC	<p>The property comprises a parcel of land with a site area of approximately 12,561.48 square metres, on which are erected three buildings and various ancillary structures. They were completed in about 2004.</p> <p>The buildings include three composite buildings for office, production and warehouse purposes, having a total gross floor area of approximately 7,186.13 square metres.</p> <p>The property improvements and structures mainly include roads, boundary walls, covered parking area and refuge storage.</p> <p>The property is currently leased by Schramm Shanghai from an independent third party for a term of six years commencing on 20 September 2004 and expiring on 19 September 2010 at a current monthly rent of RMB117,207 exclusive of water, electricity, gas, communications, utilities, sewage and management charges.</p>	The property is currently occupied by the Group for production, ancillary office and warehouse purposes.	No commercial value

Notes:

- Pursuant to a tenancy agreement (the "Tenancy Agreement") entered into between 上海尤氏實業有限公司 ("Shanghai Youshi") and Schramm Shanghai dated 20 September 2004, the property with a gross floor area of 7,235 square metres was leased to Schramm Shanghai for a term of six years commencing on 20 September 2004 and expiring on 19 September 2010 at a monthly rent of RMB108,525 exclusive of water, electricity, gas, communications, utilities, sewage and management charges for the first three years of the term.
- Pursuant to a supplementary tenancy agreement entered into between Shanghai Youshi and Schramm Shanghai dated 12 September 2007, the passing rent of the subject tenancy is revised to RMB117,207 per month for the period from 12 September 2007 to the expiry of the existing lease term.
- Pursuant to the second supplementary tenancy agreement entered into between Shanghai Youshi and Schramm Shanghai dated 26 August 2009, the leased area of the property was revised from 7,235 square metres to 7,186.13 square metres.
- Pursuant to a Shanghai Certificate of Real Estate Ownership, Hu Fang Di Qing Zi (2005) Di No. 000640 issued by the Shanghai Housing and Land Resources Administration Bureau dated 13 January 2005, the land use rights of the subject site with a site area of 12,561 square metres and the building ownership rights of the subject buildings with a total gross floor area of 7,186.13 square metres were legally vested in Shanghai Youshi.

5. During our on-site inspection we have identified several temporary building structures with a total gross floor area of approximately 158.84 square metres. They include three guardhouses, two power distribution rooms and a fire services pump room. In our valuation we have disregarded the values of these temporary structures.
6. Pursuant to a Commitment Letter issued by Shanghai Youshi dated 26 August 2009, Shanghai Youshi will as soon as possible apply for the relevant real estate ownership certificate for the building structures as mentioned in Note 7 above. Shanghai Youshi will be responsible and will handle any disputes arising from these building structures. If Schramm Shanghai is ordered to relocate from the property or is penalized by the government authorities such that the operations of Schramm Shanghai is affected, Shanghai Youshi will compensate Schramm Shanghai for all the losses arising therefrom (including but not limited to the aforesaid relocation expenses and government penalties, etc.).
7. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's PRC legal adviser, which contains, inter alia, the following:
 - a. Shanghai Youshi is the registered owner of the property and has the right to lease the property;
 - b. The property has fulfilled the relevant leasing requirements, and the Tenancy Agreement is legal, effective and mutually binding between Shanghai Youshi and Schramm Shanghai. All necessary tenancy registration procedures have been completed;
 - c. During the lease term, Schramm Shanghai has the legal rights to use the property and has the other appropriate rights and obligations to use the property according to the Tenancy Agreement and concerning law and regulation for production facility uses. According to the Confirmation Letter issued by Schramm Shanghai and the due diligence investigation carried out by Hill & Co., Schramm Shanghai is using the property for the aforesaid purpose and the rights of use, leasing or occupation of the property have not been, wholly or partially re-leased, granted, authorized or transferred to any third party by Schramm Shanghai. The property has not been mortgaged or encumbered with any other third party rights or interests;
 - d. According to the Confirmation Letter issued by Schramm Shanghai and the due diligence investigation carried out by Hill & Co., the Tenancy Agreement is duly performed by Schramm Shanghai and no party engaged into the Tenancy Agreement has breached any terms of the Tenancy Agreement and therefore there is no foreseeable reason which may lead to any change or termination of the Tenancy Agreement and no foreseeable reason to cause any challenge or penalty from the relevant government authorities due to any breach of the Tenancy Agreement;
 - e. According to the Confirmation Letter issued by Schramm Shanghai and the due diligence investigation carried out by Hill & Co., Schramm Shanghai has not received any notice, order or suggestion from the government authorities in respect of the property which would affect the value of the property, or the continuation of use of the property under the Tenancy Agreement. There is no unreasonable or abnormal undertakings, terms, conditions or restriction on the Tenancy Agreement engaged by Schramm Shanghai; and
 - f. As confirmed by Schramm Shanghai and pursuant to the Commitment Letter issued by Shanghai Youshi (as mentioned in Note 6 above), there will be no substantial impact on the production and operations of Schramm Shanghai if the building structures as mentioned in Note 5 above is ordered to be demolished or to cease their operations by the government owing to the fact that the relevant planning and construction permits for these building structures have not been applied for.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
7.	Various buildings within an industrial facility located at No. 11 Qishan Road Area 3-9 Yantai Economic Development Area Zhifu District Yantai City Shandong Province The PRC	<p>The property comprises various buildings within an industrial facility which was completed in about 2004.</p> <p>The buildings comprise an office, a laboratory, a canteen and a dormitory, having a total gross floor area of approximately 826 square metres.</p> <p>The property is currently leased by Schramm Yantai (branch) from an independent third party for a term of one year commencing on 10 March 2009 and expiring on 9 March 2010 at an annual rent of RMB121,700 exclusive of water, electricity, gas, telephone, television, cleansing and management charges.</p>	The property is currently occupied by the Group for office and research purposes.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between 煙台開發區海興木製品有限公司 (“Yantai Haixing”) and Schramm Yantai (branch) dated 10 March 2009, the property was leased to Schramm Yantai (branch) for a term of one year commencing on 10 March 2009 and expiring on 9 March 2010 at an annual rent of RMB121,700 exclusive of water, electricity, gas, telephone, television, cleansing and management charges.
2. Schramm Yantai (branch) is the branch office of Schramm Tainjian, which is a wholly-owned subsidiary of the Company.
3. Pursuant to a State-owned Land Use Rights Certificate, Yan Guo Yong (2004) Di No. 1239 issued by the People’s Government of Yantai dated 8 December 2004, the land use rights of the subject site with a site area of 4,533.72 square metres were granted to Yantai Haixing for industrial uses.
4. Pursuant to a Building Ownership Rights Certificate, Yan Fang Quan Zheng Kai Zi Di No. 104241 issued by the Real Estate Administration Bureau of Yantai City dated 8 December 2004, the building ownership rights of the subject facility (including the subject property) with a gross floor area of 2,224.92 square metres were legally vested in Yantai Haixing.
5. We have been provided with a legal opinion regarding the legality of the Group’s property interests by the Group’s PRC legal adviser, which contains, inter alia, the following:
 - a. Yantai Haixing is the registered owner of the property and has the rights to lease the property;
 - b. The property has fulfilled the relevant leasing requirements, and the Tenancy Agreement is legal, effective and mutually binding between Yantai Haixing and Schramm Yantai (branch), and is legally enforceable. All necessary tenancy registration procedures have been completed;

- c. During the lease term, Schramm Yantai (branch) has the legal rights to use the property and the other appropriate rights and obligations to use the property according to the Tenancy Agreement and concerning laws and regulations for office and research. According to the Confirmation Letter issued by Schramm Yantai (branch) and the due diligence investigation carried out by Hill & Co., Schramm Yantai (branch) is duly using the property for the aforesaid purpose and the rights of use, leasing or occupation of the property have not been, wholly or partially re-leased, granted, authorized or transferred to any third party by Schramm Yantai (branch). The property has not been mortgaged or encumbered with any other third party rights or interests;

- d. According to the Confirmation Letter issued by Schramm Yantai (branch) and the due diligence investigation carried out by Hill & Co., Schramm Yantai (branch) duly performed the Tenancy Agreement and there is no party engaged into the Tenancy Agreement has breached any terms of the Tenancy Agreement and therefore there is no foreseeable reason which may lead to any change or termination of the Tenancy Agreement and no foreseeable cause any challenge or penalty from the relevant government authorities due to any breach of the Tenancy Agreement; and

- e. According to the Confirmation Letter issued by Schramm Yantai (branch) and the due diligence investigation carried out by Hill & Co., There is no notice, order or suggestion from the government authorities in respect of the property which would affect the value of the property or the continuation of use of the property under the Tenancy Agreement. There is no unreasonable or abnormal undertakings, terms, conditions or restriction on the Tenancy Agreement engaged by Schramm Yantai (branch).

VALUATION CERTIFICATE

Group VI — Property interests leased and occupied by the Group in South Korea

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
8.	629-3 Sunggok-Dong Danwon-Ku Ansan City Kyunggi Province South Korea	<p>The property comprises a unit on Level 2 of a three-storey industrial building completed in about 1987.</p> <p>The property has a gross floor area of approximately 52.8 square metres.</p> <p>The property together with Property No. 9 are currently leased by Schramm Korea from a connected party subject to a single tenancy agreement.</p> <p>The tenancy is for a term of one year commencing from 1 July 2009 and expiring on 30 June 2010 with an option to renew for a further term of 1 year unless each party wishes and notifies termination of contract in written forms, 30 days prior to end of the contract, at a monthly rent of KRW500,000 exclusive of management fees, water and electricity charges.</p>	The property is currently occupied by the Group for office purposes.	No commercial value

Notes:

- Pursuant to a tenancy agreement entered into between SSCP Co., Ltd. and Schramm Korea dated 1 July 2009, the property together with Property No. 9 are leased to Schramm Korea for a term of one year commencing from 1 July 2009 and expiring on 30 June 2010 with an option to renew for a further term of 1 year unless each party wishes and notifies termination of contract in written forms, 30 days prior to end of the contract, at a monthly rent of KRW500,000 exclusive of management fees, water and electricity charges. The management fees are KRW500,000 per month inclusive of water, electricity charges (including air-conditioning), internet and telephone charges.
- Schramm Korea is a wholly-owned subsidiary of the Company.
- The registered owner of the subject building is SSCP Co., Ltd. registered vide Memorial No. 95561 dated 18 December 1987.
- The subject building is subject to a mortgage in favour of Shinhan Bank with collateral on land and building registered vide Memorial No. 37385 dated 26 May 1999. The consideration of the property was KRW1,500,000,000.
- The subject building is subject to a second mortgage in favour of Shinhan Bank with collateral on land and building registered vide Memorial No. 45820 dated 11 July 2000. The consideration of the property was KRW2,500,000,000.
- The tenancy has been registered with the relevant real estate bureau.

7. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's South Korea legal adviser, which contains, inter alia, the following:
 - a. Schramm Korea has full power and authority, under the laws of South Korea and the Articles of Incorporation to (1) to lease, occupy and use the land leased from relevant authorities responsible to administer land in Korea, or organizations authorized by such authorities; (2) to construct, own and use fixtures and/or building and any other kind of real property on the leased land; and (3) to lease, occupy and use the properties leased from third party for the purposes of conducting its business;
 - b. The tenancy is legal, valid, subsisting and enforceable. The tenancy constitutes a legally binding and enforceable agreement and constitutes Schramm Korea's rights to use the relevant leased property;
 - c. SSCP Co., Ltd. has legal title to the property; and
 - d. The property is not subject to any notice or order given by the South Korean government authorities which would adversely affect the use or the value thereof.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
9.	315-4 Bonsan-ri Jinyoung-eup Kimhae-si Kyungnam Province South Korea	<p>The property comprises a unit on Level 3 of a three-storey industrial building completed in about 2001.</p> <p>The property has a gross floor area of approximately 18.53 square metres.</p> <p>The property together with Property No. 8 are currently leased by Schramm Korea from a connected party subject to a single tenancy agreement.</p> <p>The tenancy is for a term of one year commencing from 1 July 2009 and expiring on 30 June 2010 with an option to renew for a further term of 1 year unless each party wishes and notifies termination of contract in written forms, 30 days prior to end of the contract, at a monthly rent of KRW500,000 exclusive of management fees, water and electricity charges.</p>	The property is currently occupied by the Group for production and office purposes.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between SSCP Co., Ltd. and Schramm Korea dated 1 July 2009, the property together with Property No. 8 are leased to Schramm Korea for a term of one year commencing from 1 July 2009 and expiring on 30 June 2010 with an option to renew for a further term of 1 year unless each party wishes and notifies termination of contract in written forms, 30 days prior to end of the contract, at a monthly rent of KRW500,000 exclusive of management fees, water and electricity charges. The management fees are KRW500,000 per month inclusive of water, electricity charges (including air-conditioning), internet and telephone charges.
2. Schramm Korea is a wholly-owned subsidiary of the Company.
3. The registered owner of the subject building is SSCP Co., Ltd. registered vide Memorial No. 107470 dated 10 December 2003.
4. The subject building is subject to a mortgage in favour of Busan Bank with collateral on land and building registered vide Memorial No. 107471 dated 10 December 2003. The consideration of the property was KRW8,520,000,000.
5. The subject building is subject to a second mortgage in favour of Busan Bank with collateral on land and building registered vide Memorial No. 153 dated 31 December 2003. The consideration of the property was KRW4,800,000,000.
6. The tenancy has been registered with the relevant real estate bureau.

7. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's South Korea legal adviser, which contains, inter alia, the following:
 - a. Schramm Korea has full power and authority, under the laws of South Korea and the Articles of Incorporation to (1) to lease, occupy and use the land leased from relevant authorities responsible to administer land in Korea, or organizations authorized by such authorities; (2) to construct, own and use fixtures and/or building and any other kind of real property on the leased land; and (3) to lease, occupy and use the properties leased from third party for the purposes of conducting its business;
 - b. The tenancy is legal, valid, subsisting and enforceable. The tenancy constitutes a legally binding and enforceable agreement and constitutes Schramm Korea's rights to use the relevant leased property;
 - c. SSCP Co., Ltd. has legal title to the property; and
 - d. The property is not subject to any notice or order given by the South Korean government authorities which would adversely affect the use or the value thereof.

VALUATION CERTIFICATE

Group VII — Property interest leased and occupied by the Group in Taiwan

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
10.	No. 8 Alley 101 Sanlong Street Shulin City Taipei County Taiwan	<p>The property comprises the whole of a two-storey building completed in about 1999.</p> <p>The property has a gross floor area of approximately 1,099.94 square metres.</p> <p>The property is currently leased by Schramm Taiwan (branch) from an independent third party for a term of two years commencing on 10 June 2009 and expiring on 9 June 2011 at an annual rent of NT\$40,000 exclusive of water, electricity charges and business tax, but is inclusive of property tax.</p>	The property is currently occupied by the Group for office purposes.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Lan Shi-qi and Schramm Hong Kong dated 9 June 2009, the property is leased to the Schramm Taiwan (branch) for a term of two years commencing on 10 June 2009 and expiring on 9 June 2011 at an annual rent of NT\$40,000 exclusive of water, electricity charges and business tax, but is inclusive of property tax.
2. The registered owner of the property is Lan Shi-qi.
3. Schramm Taiwan (branch) is a branch of Schramm Hong Kong, which is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

Group VIII — Property interest leased and occupied by the Group in Thailand

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2009 <i>HK\$</i>
11.	An industrial facility located at General Industrial Zone Amata City Industrial Estate Rayong Province Thailand	<p>The property comprises a parcel of land with a site area of approximately 4,766 square metres, on which are erected two buildings and various ancillary structures completed in about 2002.</p> <p>The total gross floor area of the buildings is approximately 1,632 square metres.</p> <p>The buildings include a two-storey factory with ancillary office and a guardhouse. The structure mainly comprises boundary walls, roads, gates and carparks.</p> <p>The property is leased by Schramm Thailand from an independent third party for a term of three years commencing on 1 May 2008 and expiring on 30 April 2011 with an option to renew for a further term of three years, at a monthly rent of 138,500 Baht and monthly service fee of 126,500 Baht exclusive of water and electricity charges.</p>	The property is currently occupied by the Group for production, warehouse and office purposes.	No commercial value

Notes:

- Pursuant to a tenancy agreement entered into between Ticon Property Fund acting through Ticon Industrial Connection Public Company Limited (“Ticon Property”) and Schramm Thailand dated 11 April 2008, the property is leased to Schramm Thailand for a term of three years commencing on 1 May 2008 and expiring on 30 April 2011 with an option to renew for a further term of three years, at a monthly rent of 138,500 Baht and monthly service fee of 126,500 Baht exclusive of water and electricity charges.
- The land use rights of the subject site are held by Ticon Property as pursuant to the Title Deed no. 7308 issued by Land Department dated 11 April 2006. The site area is 4,766 square metres and for factory and warehouse uses.

3. Pursuant to the Building Construction Certificate No. 105/2545 issued by Industrial Estate Authority of Thailand dated 30 April 2002, the building ownership rights of the property with a total gross floor area of approximately 1,632 square metres were held by Ticon Property with details as follows:

Building	Gross Floor Area <i>(sq m)</i>	No. of Storey
Factory/Warehouse	1,625	2
Guardhouse	<u>7</u>	1
	Total:	
	<u>1,632</u>	

4. Pursuant to the land registration records that we obtained from Schramm Thailand dated 5 August 2009, the registered owner of the subject property is Ticon Property registered vide Title Deed No. 7308 dated 11 April 2006.
5. Schramm Thailand is owned as to 99.96% by the Company.
6. We have been provided with a legal opinion regarding the legality of the Group’s property interests by the Group’s Thailand legal adviser, which contains, inter alia, the following:
- a. Schramm Thailand has full power and authority, under the laws of Thailand and the Constitutional Documents of Schramm Thailand:
 - i. to enter into a lease agreement, occupy and use the land leased from relevant authorities responsible to administer land in Thailand, or organizations authorized by such authorities;
 - ii. to construct, own and use fixtures and/or building and any other kind of real property on the leased land; and
 - iii. to enter into a lease agreement, occupy and use properties leased from third parties for the purposes of conducting its business.
 - b. The lease is legal, valid, subsisting and enforceable leases and constitutes a legally valid and binding obligation on Schramm Thailand and constitutes Schramm Thailand’s rights to use the property;
 - c. The property is not, as at the date of the legal opinion, subject to any notice or order given by the Thai government authorities which would adversely affect the use of them or their value; and
 - d. There are no encumbrances, liens or mortgages created over the leased land and the leased property.