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31 July 2009

**Our Ref: GV/2009/SHT/0001/CC/FL/KW/al**

Dear Sirs

**RE: VARIOUS PROPERTIES IN HONG KONG AND THE PEOPLE'S REPUBLIC OF CHINA**

In accordance with your instructions for us to value the properties in the enclosed summary of values to be acquired by Shenzhen High-Tech Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in Hong Kong and the People's Republic of China (the "PRC"), we confirm that we have made all relevant enquiries and investigations as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 31 May 2009 for the inclusion in a circular to be issued by the Company.

Our valuation of each of the properties is our opinion of its 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 market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuations have been prepared in accordance with The HKIS Valuation Standards on Properties published by The Hong Kong Institute of Surveyors (1st Edition 2005), and the relevant provisions in the Companies Ordinance and Chapter 5 of the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (Main Board) and all requirements contained in Rule 11 of the Code on Takeovers and Mergers.

In the course of our valuation of the property in the PRC, we have assumed that transferable land use rights in respect of the property for specific terms at nominal land use fees have been granted and that any land grant premium payable has been fully paid. We have also assumed that the grantee has enforceable title to the property and has free and uninterrupted rights to use, occupy or assign the property for the whole of the unexpired term as granted.

We have valued the properties by making reference to the comparable transactions as available in the market and where appropriate, on the capitalization of the net incomes shown on the schedules handed to us. We have allowed for outgoings and in appropriate cases, made provisions for reversionary income potential.

For the properties located in Hong Kong, we have not been provided with any title documents relating to the properties but we have caused searches to be made at the Land Registry. We have not, however, inspected the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies obtained by us.

For the property located in the PRC, we have been provided with copies of extracts of title documents relating to the property. However, we have not inspected the original documents to verify ownership or to ascertain the existence of any amendments that may not appear on the copies handed to us. We have relied to a very considerable extent on information given by the Group and its PRC legal adviser, Beijing Eastbright Law Firm, regarding the titles to the property in the PRC.

We have relied to a very considerable extent on information given by the Group and accepted advice on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided by Group and are therefore only approximations. No on-site measurements have been taken. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation.

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 material defect. We are not, however, able to report that the properties are free of rot, infestation or any other structural defect. No test was carried out on any of the services.

No allowance has been made in our valuation 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 an onerous nature which could affect their values.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and as advised by the Company, the potential tax liabilities which may arise from the sale of the properties include:

- (a) profits tax on the profit from the sale at rates of 16.5% for the properties in Hong Kong and 25% for the property in the PRC; and
- (b) land value appreciation tax for the property in the PRC at progressive tax rates ranging from 30% to 60% on the appreciation in property value in the range from not more than 50% to more than 200%.

As at the time of this circular, the Company has confirmed that it has no intention to sell any of the properties which are to be held for occupation and for investment. Hence, the likelihood of any potential tax liability of these properties being crystallized is remote.

Unless otherwise stated, all monetary amounts stated in our valuation are in Hong Kong dollars. The exchange rate adopted in our valuation is HK\$1 = RMB0.8813, which was the approximate exchange rate prevailing as at the date of valuation and there has been no significant fluctuation in such exchange rate between that date and the date of this letter.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully  
For and on behalf of  
**Savills Valuation and Professional Services Limited**



Charles C K Chan  
MSc FRICS FHKIS MCI Arb RPS(GP)  
Managing Director

Note: Mr Charles C K Chan, chartered estate surveyor, MSc, FRICS, FHKIS, MCI Arb, RPS(GP), has been a qualified valuer since June 1987 and has about 24 years' experience in the valuation of properties in Hong Kong and has about 19 years' experience in the valuation of properties in the PRC.

**SUMMARY OF VALUES**

<u>Property</u>	<b>Market value in existing state as at <u>31 May 2009</u></b>
1. Office Units 1 and 2 on 24th Floor World-Wide House 19 Des Voeux Road Central Central, Hong Kong	HK\$242,000,000
2. Shop Nos. 4 and 5 on Ground Floor Flats 1, 2, 3, 4, 5, 6, 7 and 8 on 1st Floor and Flats 3 and 4 on 2nd Floor South Wall Mansion, 63, 63A, 65, 67, 69 and 71 South Wall Road Kowloon City, Kowloon, Hong Kong	HK\$28,000,000
3. Flat A on 23rd Floor of Block 2 and Car Parking Space No. 31 on 2nd Basement Ronsdale Garden, 25 Tai Hang Drive Jardine's Lookout, Hong Kong	HK\$8,900,000
4. Unit No. 1611, Beijing Henderson Centre 18 Jian Guo Men Nei Da Jie, Dong Cheng District Beijing, PRC	HK\$3,177,125 (RMB2,800,000)
<b>Total:</b>	<b><u>HK\$282,077,125</u></b>

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 May 2009</u>
<p>1. Office Units 1 and 2 on 24th Floor, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong</p> <p>2,003/123,000th parts or shares of and in Inland Lot No. 8432.</p>	<p>World-Wide House is a 29-storey commercial building erected over a basement completed in 1980.</p> <p>The property comprises the office units on the whole of the 24th Floor of the building with a total gross floor area of approximately 1,757.53 sq m (18,918 sq ft).</p> <p>Inland Lot No. 8432 is held under Conditions of Grant No. UB11187 for a term of 75 years from 15 April 1978 renewable for a further term of 75 years. The government rent payable for the lot is HK\$1,000 per annum.</p>	<p>As at 31 May 2009, 656.26 sq m (7,064 sq ft) of the property were vacant.</p> <p>Another portion of the property with an area of approximately 96.43 sq m (1,038 sq ft) was leased to the Company for a term from 1 October 2008 to 30 September 2009 at a monthly rent of HK\$73,953 inclusive of rates, management fees and government rent. The remaining portion of the property was subject to various tenancies mostly for terms of 3 years with the latest expiring in May 2012 at a total monthly rent of about HK\$467,000 inclusive of rates, management fees and government rent.</p>	<p>HK\$242,000,000</p>

Notes: (1) The registered owner of the property is Yue Tin Development Limited.

(2) The property lies within an area zoned "Commercial" under Central District Outline Zoning Plan No. S/H4/12.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 May 2009</u>																		
2. Shop Nos. 4 and 5 on Ground Floor, Flats 1, 2, 3, 4, 5, 6, 7 and 8 on 1st Floor and Flats 3 and 4 on 2nd Floor, South Wall Mansion, 63, 63A, 65, 67, 69 and 71 South Wall Road, Kowloon City, Kowloon, Hong Kong  12/79th parts or shares of and in The Remaining Portion of New Kowloon Inland Lot No. 1933, The Remaining Portion of New Kowloon Inland Lot No. 2156, The Remaining Portion of New Kowloon Inland Lot No. 2157, The Remaining Portion of New Kowloon Inland Lot No. 2158 and The Remaining Portion of New Kowloon Inland Lot No. 2159.	South Wall Mansion is a 10-storey composite building completed in 1966.  The property comprises two shops on the Ground Floor, eight flats on the 1st Floor and two residential units on the 2nd Floor of the building with a total saleable area of approximately 557.13 sq m (5,997 sq ft).  The breakdown areas are as follows:- <table border="1" data-bbox="514 1016 893 1202"> <thead> <tr> <th></th> <th colspan="2">Saleable Areas</th> </tr> <tr> <th></th> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>G/F</td> <td>150.59</td> <td>1,621</td> </tr> <tr> <td>1/F</td> <td>328.69</td> <td>3,538</td> </tr> <tr> <td>2/F</td> <td><u>77.85</u></td> <td><u>838</u></td> </tr> <tr> <td>Total</td> <td>557.13</td> <td>5,997</td> </tr> </tbody> </table> The property also comprises two yards on the Ground Floor with a total area of approximately 15.79 sq m (170 sq ft).  New Kowloon Inland Lot Nos. 1933, 2156, 2157, 2158 and 2159 are held under their respective Government Leases each for a term of 75 years commencing on 1 July 1898 renewable for a further term of 24 years less 3 days and had been extended upon expiry to 30 June 2047 at a government rent of three percent of the Rateable Value for the time being of the lot.		Saleable Areas			sq m	sq ft	G/F	150.59	1,621	1/F	328.69	3,538	2/F	<u>77.85</u>	<u>838</u>	Total	557.13	5,997	As at 31 May 2009, the property was subject to a tenancy for a term of 2 years from 20 April 2008 at a monthly rent of HK\$85,000 exclusive of rates, management fees and government rent.	HK\$28,000,000
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	sq m	sq ft																			
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Total	557.13	5,997																			

Notes: (1) The registered owner of the property is Yue Tin Development Limited.

(2) The property lies within an area zoned "Residential (Group A) 2" under Ma Tau Kok Outline Zoning Plan No. S/K10/20.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 May 2009</u>
3. Flat A on 23rd Floor of Block 2 and Car Parking Space No. 31 on 2nd Basement, Ronsdale Garden, 25 Tai Hang Drive, Jardine's Lookout, Hong Kong  15/5,379th parts or shares of and in The Remaining Portion of Inland Lot No. 5710 and The Extension thereto.	Ronsdale Garden comprises two 35-storey residential blocks erected over a 5-level basement completed in 1986.  The property comprises a residential unit on the 23rd Floor of Block 2 and a car parking space on the 2nd Basement of the development. The gross floor area of the residential unit is approximately 112.32 sq m (1,209 sq ft).  Inland Lot No. 5710 and the Extension thereto are held under Condition of Sale No. 4015 for a term of 75 years from 13 November 1939 renewable for a further term of 75 years at an annual total government rent of HK\$1,000.	As at 31 May 2009, the property was vacant.	HK\$8,900,000

Notes: (1) The registered owner of the property is Yue Tin Development Limited.

(2) The property lies within an area zoned "Residential (Group B)" under Causeway Bay Outline Zoning Plan No. S/H6/14.

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 May 2009</u>
4. Unit No. 1611, Beijing Henderson Centre, 18 Jian Guo Men Nei Da Jie, Dong Cheng District, Beijing, PRC	<p>The property comprises an apartment on the 16th Floor of a 23-storey composite building completed in 1998.</p> <p>The gross floor area of the property is approximately 168.14 sq m (1,810 sq ft).</p> <p>The land use rights of the property were granted for a term commencing on 18 March 2002 and expiring on 13 October 2063.</p>	As at 31 May 2009, the property was vacant.	HK\$3,177,125 (RMB2,800,000)

- Notes: (1) Pursuant to a Building Ownership Certificate Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi No.0770193 dated 18 March 2002, the building ownership of the property with a gross floor area of 168.14 sq m is vested in Yue Tin Development Limited.
- (2) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:-
- i. the building ownership of the property is legally held by Yue Tin Development Limited;
  - ii. Yue Tin Development Limited is entitled to occupy, use, gain or dispose of the property within the residual land use term; and
  - iii. the property is free from any mortgages and forbidden notices.

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