

The following is the text of a letter, summary of valuations and valuation certificate prepared for the purpose of incorporation in this prospectus received from DTZ Debenham Tie Leung Limited, an independent valuer, in connection with their valuations as at 30 April, 2002 of the property interests of the Group.



Formerly C. Y. Leung & Company
原梁振英測量師行

11 June, 2002

The Directors
Topsearch International (Holdings) Limited
Unit 3301, 33rd Floor
China Merchants Tower
Shun Tak Center
168-200 Connaught Road Central
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value the property interests held by Topsearch International (Holdings) Limited (the “Company”) or its subsidiaries (hereinafter together referred to as the “Group”) in Hong Kong, the People’s Republic of China (the “PRC”) and other overseas countries as listed in the attached summary of valuations, we confirm that we have carried out inspections, 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 property interests as at 30 April, 2002 (the “date of valuation”).

Our valuation of each of the property interests represents its open market value which we would define as intended to mean “an opinion of the best price at which the sale of an interest in a property would have been completed unconditionally for cash consideration on the date of valuation, assuming:—

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;

- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest"; and
- (e) that both parties to the transaction had acted knowledgeably, prudently, and without compulsion."

Our valuation has been made on the assumption that the owners sell the property interests on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to affect the value of such property interests.

In the course of our valuation of the property interests in the PRC, we have relied on the advice given by the Group's legal advisers on PRC law, King & Wood, regarding the Group's title to each of the property interests and the interests of the Group in the properties. In valuing the property interest in Group I, we have relied on the advice of King & Wood that transferable land use rights in respect of the property interests for respective specific terms at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have relied on such advice that the grantees or the users of the property interests have free and uninterrupted rights to use or to assign the property interests for the whole of the respective unexpired terms as granted.

In valuing the property interests in Group I which are held and occupied by the Group in the PRC, we have valued such property interests by the Direct Comparison Approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

In valuing the property interest in Group II which is held under development by the Group in the PRC, we have taken into account the legal opinion of King & Wood. The said legal opinion stipulates, inter alia, that the Group has obtained the Realty Title Certificate in respect of the land use rights of the property. By virtue of the Realty Title Certificate, the land use rights of the property have been granted to the Group for a term of 50 years from 15 September, 2000 to 14 September, 2050 and during the said term, the Group is entitled to occupy and use the property for industrial purpose. According to applicable rules and regulations, as the land use rights are granted for the use of new and high technology purposes, the land premium paid by the Group for acquisition of the land use rights was a concessionary land premium rather than a full land premium. The property is prohibited from sale whilst mortgage or lease of the same shall be subject to compliance with the relevant regulations. If the Group intends to sell, transfer or lease the property, it shall have to obtain the relevant land administration authorities' approval and pay the shortfall of the full land premium in advance and attend to the relevant procedures. In addition, the said legal opinion reveals that the

Group has lodged application to the relevant land administration authorities for removal of the aforesaid restriction on alienation and upon payment of the shortfall of the full land premium and completion of the relevant procedures, there shall be no legal impediment for the completion of the above-mentioned procedures. Taking into account the current position relating to the transfer of the property and the current arrangements to remove the restriction on alienation, we have, in arriving at our opinion on the open market value of the property, assumed that the aforesaid restriction on alienation has been removed and the Group has obtained transferable land use rights in respect of the property for a specific land use term at nominal annual land use fee and all requisite land premium for transferable land use rights have been fully settled. We have valued the property interest on the basis that it will be developed and completed in accordance with the Group's latest development proposal provided to us and have relied on the advice of King & Wood that approvals for the development scheme have been obtained. In arriving at our opinion of value, due to the specific nature of the building, there is no readily identifiable market sales comparable and the building cannot be valued by comparable market transactions. Therefore we have adopted the Depreciated Replacement Costs ("DRC") Approach in valuing the property interest. The DRC Approach requires a valuation of the open market value of the land in its existing use and an estimate of the new replacement cost of the building, from which deductions are made to allow for the age, condition and functional obsolescence. The DRC Approach generally furnishes the most reliable indication of value of property in the absence of a known market based on comparable sales. In arriving at our opinion of the open market value of the land, we have valued it by Direct Comparison Approach by marking reference to the comparable sale evidences in the relevant locality.

Property interests in Groups III to X which are rented by the Group in Hong Kong, the PRC, Taiwan, Singapore, Malaysia, Thailand, the United Kingdom and the United States of America respectively have no commercial value due to the prohibition against assignment of the properties or otherwise due to the lack of substantial profit rents.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have been provided with extract copies of documents in relation to the title to the property interests in the PRC as well as copies of tenancies agreements relating to be properties rented by the Group. However, we have not searched the original documents to ascertain ownership or to verify any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and its legal advisers and have accepted advice given to us on such matters as planning approvals or statutory notice, easements, tenure, identification of properties, development scheme, construction costs expended, estimated outstanding construction costs, completion dates of buildings, particulars of occupancy, site and floor areas, site and floor plans, tenancy particulars, attributable interest of the Group in the properties and all other relevant matters.

Dimensions, measurements and areas included in the attached valuation certificate are based on information provided to us and are therefore only approximations. We have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of the documents handed to us are correct. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information supplied.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. 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 from rot, infestation or any other structural defects nor were any tests carried out to any of the services. Unless otherwise stated, we have not been able to carry out details on-site measurements to verify the floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

Our valuations have been prepared under generally accepted valuation procedures and in compliance with the rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited and in accordance with the Hong Kong Guidance Notes on the Valuation of Property Assets (2nd Edition) published by the Hong Kong Institute of Surveyors in March 2000.

Unless otherwise stated, all money amounts stated in our valuations are in Hong Kong dollars. The exchange rate adopted in our valuation is HK\$1=RMB1.06 which was the approximate exchange rate prevailing as at the date of valuation. There has been no significant fluctuation in the said exchange rate between the date of valuation and the date of this letter.

We enclose herewith a summary of our valuations and the valuation certificate.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited
Andrew K. F. Chan
Registered Professional Surveyor (GP)
A.H.K.I.S., M.R.I.C.S
Director

Note : Mr. Andrew K. F. Chan is a Chartered Surveyor who has about 15 and 11 years' experience in the valuation of properties in Hong Kong and in the People's Republic of China respectively.

SUMMARY OF VALUATIONS

Property	Capital value in existing state as at 30 April, 2002
Group I — Property interests held and occupied by the Group in the PRC	
1. The 1st, 2nd, 3rd, 4th, 5th, 7th, 8th Levels and Units B+1& G on the 6th Level, Block No. 5, Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	62,000,000
2. Unit B on the 3rd Level Block No. 7, Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	2,100,000
	Sub-total : 64,100,000
Group II — Property interest held under development by the Group in the PRC	
3. The Proposed Topsearch Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	56,000,000
	Sub-total : 56,000,000

Property	Capital value in existing state as at 30 April, 2002
Group III — Property interests rented by the Group in Hong Kong	
4. Units 3301-3308 and 3318, 33rd Floor, China Merchants Tower, Shun Tak Center, 168-200 Connaught Road Central, Hong Kong	No commercial value
5. Workshop Unit Nos. 1701 and 1704 on the 17th Floor and Workshop Unit No. 2101 on the 21st Floor, Hong Kong Worsted Mills Industrial Building, 31-39 Wo Tong Tsui Street, Kwai Chung, New Territories	No commercial value
6. House 7 and the Garden appurtenant thereto and Car Parking Spaces Nos. 7A and 7B on Basement Floor, Las Pinadas, No. 33 Shouson Hill Road, Hong Kong	No commercial value
Sub-total :	No commercial value
Group IV — Property interests rented by the Group in the PRC	
7. Unit C on the 1st Level, Units A, B, C and D on the 2nd Level and Unit D on the 3rd Level, Block No. 7, Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	No commercial value

Property	Capital value in existing state as at 30 April, 2002
8. Units C and D on the 1st Level and Level 5, Block No. 8, Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	No commercial value
9. Level 3 of Block E, Gangwan Industrial Building, Xin Street, Shekou, Nanshan District, Shenzhen, Guangdong Province	No commercial value
10. Level 5 of Block F, Gangwan Industrial Building, Xin Street, Shekou, Nanshan District, Shenzhen, Guangdong Province	No commercial value
11. Portions of an Industrial Complex situated at 4 Liwan Road, Nanshan District, Shekou, Shenzhen, Guangdong Province	No commercial value
12. Various Residential Units of Nanshan Court, Huacai Garden, Gongye 7th Road, Shekou, Nanshan District, Shenzhen, Guangdong Province	No commercial value

Property	Capital value in existing state as at 30 April, 2002
13. Unit No. 602 on the 6th Level, Block No. 27, Haiyue Garden, Houhai Road, Shekou, Nanshan District, Shenzhen, Guangdong Province	No commercial value
14. Various Residential Units of Zizhuyuan, Lanyuan, Binlangyuan and Sihaiqi, Shekou, Nanshan District, Shenzhen, Guangdong Province	No commercial value
15. A portion of Unit A on the 2nd Level, Block A, Development Building, 51 Rijing Road, Shanghai Waigaoqiao Free Trade Zone, Pudong New District, Shanghai	No commercial value

Sub-total :	No commercial value
 Group V — Property interest rented by the Group In Taiwan	
16. Unit 3 on the 12th Floor, Sheng-Li Building, 88 Chung-Shang Road, Chung-Li City, Tao-Yuan Hsien, Taiwan	No commercial value

Sub-total :	No commercial value

Property	Capital value in existing state as at 30 April, 2002
Group VI — Property interest rented by the Group in Singapore	
17. #05-01 Mactech Industrial Building, No. 2 Kallang Pudding Road, Singapore 349307	No commercial value
Sub-total :	No commercial value
Group VII — Property interest rented by the Group In Malaysia	
18. 24D, Jalan Tun Dr. Awang, 11900 Palau Pinang, Malaysia	No commercial value
Sub-total :	No commercial value
Group VIII — Property interest rented by the Group in Thailand	
19. House No. 115/4 Moo 6 Bang Kruay Sainoi Road, Bang-Rak-Pattana, Bang-Bua-Thong, Nonthaburi Province, Thailand	No commercial value
Sub-total :	No commercial value
Group IX — Property interest rented by the Group in the United Kingdom	
20. Steps End House, Cautley, Sedbergh, Cumbria, LA10 5LZ, UK	No commercial value
Sub-total :	No commercial value

Property

**Capital value in
existing state as at
30 April, 2002**

Group X — Property interest rented by the Group in the United States of America

<p>21. 13170G, Pond Springs Road, Austin TX 78729 USA</p>	<p>No commercial value</p>
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	<p>Sub-total : <u>No commercial value</u></p>
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	<p>Grand Total : <u><u>120,100,000</u></u></p>
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VALUATION CERTIFICATE

Group I — Property interests held and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 April, 2002
1. The 1st, 2nd, 3rd, 4th, 5th, 7th, 8th Levels and Units B+1 & G on the 6th Level, Block No. 5, Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	<p>The property comprises the whole of the 1st (Unit Nos. 1D & 1E), 2nd (Unit Nos. 2D & 2E), 3rd (Unit Nos. 3A, 3B & 3C), 4th (Unit Nos. 4D & 4E), 5th (Unit Nos. 5D & 5E), 7th (Unit Nos. 7A, 7B & 7C), 8th (Unit Nos. 8D & 8E) Levels and Unit Nos. B+1 & G on the 6th level of a 8-storey industrial building completed in 1985.</p> <p>The property has a total gross floor area of approximately 37,489.75 sq.m. (403,540 sq.ft.).</p> <p>The land use rights of the property have been granted for terms due to expire from 8 June, 2014 to 9 June, 2034 (see Note (1)).</p>	The property is currently occupied by the Group as workshops, warehouses, ancillary offices and other ancillary uses.	HK\$62,000,000

Notes:

- (1) Pursuant to 14 Realty Title Certificates all issued by the People's Government of Shenzhen, the land use rights and building ownership of the property are held by Topsearch Printed Circuits (Shenzhen) Ltd. Detail of the said certificates are, inter alia, cited as follows:—

Certificate No.	Date of registration	Land use area <i>sq.m.</i>	Use of land	Land use term	Unit No.	Gross floor area <i>sq.m.</i>
6016728	04-11-1997	843.90	Industrial	09-06-1984 to 08-06-2014	4D	2,526.00
6016729	04-11-1997	843.90	Industrial	09-06-1984 to 08-06-2014	5D	2,526.00
6016731	04-11-1997	1,113.70	Industrial	09-06-1984 to 08-06-2014	3A & 3B	3,333.50
6018640	06-03-1998	1,518.00	Industrial	09-06-1984 to 08-06-2014	1D & 2D	4,545.00
4000002533	03-06-1998	841.70	Industrial	09-06-1984 to 09-06-2014	2E	2,519.90
4000002534	03-06-1998	661.30	Industrial	09-06-1984 to 09-06-2014	1E	1,979.85
4000003325	21-05-1998	841.90	Industrial	09-06-1984 to 09-06-2014	8E	2,520.00
4000003328	25-06-1998	841.90	Industrial	09-06-1984 to 09-06-2014	4E	2,520.00
4000006213	18-08-1998	841.90	Industrial	09-06-1984 to 09-06-2014	5E	2,520.00
4000025759	24-08-1999	456.00	Industrial	09-06-1984 to 09-06-2014	6G	1,365.00
4000025760	07-09-1999	1,685.80	Industrial	09-06-1984 to 09-06-2014	7A, 7B & 7C	5,046.00
4000035404	05-09-2000	572.10	Industrial	09-06-1984 to 09-06-2034	3C	1,712.50
4000035405	05-09-2000	618.10	Industrial	09-06-1984 to 09-06-2014	6B+1	1,850.00
4000035406	05-09-2000	843.90	Industrial	09-06-1984 to 09-06-2034	8D	2,526.00
	Total:	<u>12,524.10</u>				<u>37,489.75</u>

- (2) Pursuant to the Business Licence No. 300239 dated 15 December, 2000, Topsearch Printed Circuits (Shenzhen) Ltd. was incorporated as a foreign enterprise with a registered capital of US\$32,000,000 and has an operation period from 25 September, 1987 to 25 September, 2007.
- (3) The opinion of the Group's legal advisers on PRC law states, inter alia, that:—
- (i) Topsearch Printed Circuits (Shenzhen) Ltd. has obtained 14 Realty Title Certificates of the property with a total gross floor area of 37,489.75 sq.m..
 - (ii) Portions of the property are subject to mortgage in favour of Nanyang Commercial Bank Shekou Branch.
 - (iii) The legal title of the property together with the corresponding land use rights are vested in Topsearch Printed Circuits (Shenzhen) Ltd. and the property can be transferred, leased or mortgaged by Topsearch Print Circuits (Shenzhen) Ltd. without payment of any additional land premium. For those portions of the property which are currently subject to mortgages, prior notice shall be given to the mortgagee for any disposal of the same.
 - (iv) There is no breach of terms, conditions or restrictions contained in the Realty Title Certificates or the relevant PRC law.
- (4) We have relied on the aforesaid legal opinion and prepared our valuation on the following basis:—
- (i) Topsearch Printed Circuits (Shenzhen) Ltd. is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of its land use rights at no extra land premium or other onerous payment payable to the government.
 - (ii) All land premium and other costs of ancillary utilities services have been settled in full.
 - (iii) The design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities.
 - (iv) The property may be disposed of freely to both local and overseas purchasers.
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the aforesaid legal opinion are as follows:—

Realty Title Certificate	Yes
Business Licence	Yes

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 April, 2002
2. Unit B on the 3rd Level, Block No. 7 Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	<p>The property comprises an unit on the 3rd level of a 5-storey industrial building completed in 1988.</p> <p>The property has a gross floor area of approximately 1,212.30 sq.m. (13,049 sq.ft.).</p> <p>The land use rights of the property have been granted for a term from 1 October, 1987 to 1 October, 2037.</p>	The property is currently occupied by the Group as warehouse and ancillary office.	HK\$2,100,000

Notes:—

- (1) Pursuant to the Realty Title Certificate No. 4000041933 issued by the People's Government of Shenzhen, the land use rights and building ownership of the property are held by Topsearch Printed Circuits (Shenzhen) Ltd. Details of the said certificate are, inter alia, cited as follows:—
 - (i) Certificate No. : 4000041933
 - (ii) Date of registration : 14-02-2001
 - (iii) Land use area : 584.60 sq.m.
 - (iv) Use of land : Commercial/Financial
 - (v) Land use term : 01-10-1987 to 01-10-2037
 - (vi) Unit : Unit B on the 3rd Level of Block No. 7 Xinghua Industrial Building
 - (vii) Gross floor area : 1,212.30 sq.m.
- (2) Pursuant to the Business Licence No. 300239 dated 15 December, 2000, Topsearch Printed Circuits (Shenzhen) Ltd. was incorporated as a foreign enterprise with a registered capital of US\$32,000,000 and has an operation period from 25 September, 1987 to 25 September, 2007.
- (3) The opinion of the Group's legal advisers on PRC law states, inter alia, that:—
 - (i) Topsearch Printed Circuits (Shenzhen) Ltd. has obtained a Realty Title Certificate of the property with a gross floor area of 1,212.30 sq.m..
 - (ii) The property is subject to mortgage in favour of Nanyang Commercial Bank Shekou Branch.
 - (iii) The legal title of the property together with the corresponding land use rights are vested in Topsearch Printed Circuits (Shenzhen) Ltd. and the property can be transferred and leased by Topsearch Printed Circuits (Shenzhen) Ltd. without payment of any additional land premium provided that prior notice has been given to the mortgagee for any disposal of the same.
 - (iv) There is no breach of terms, conditions or restrictions contained in the Realty Title Certificate or the relevant PRC law.
- (4) We have relied on the aforesaid legal opinion and prepared our valuation on the following basis:—
 - (i) Topsearch Printed Circuits (Shenzhen) Ltd. is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of its land use rights at no extra land premium or other onerous payment payable to the government.

- (ii) All land premium and other costs of ancillary utilities services have been settled in full.
 - (iii) The design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities.
 - (iv) The property may be disposed of freely to both local and overseas purchasers.
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the aforesaid legal opinion are as follows:—

Realty Title Certificate	Yes
Business Licence	Yes

Group II — Property interest held under development by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 April, 2002
3. The Proposed Topsearch Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province	<p>The property comprises a proposed industrial building erected upon a roughly oblong-shaped site having a site area of approximately 11,208.50 sq.m. (120,648 sq.ft.).</p> <p>The proposed industrial building of the property is planned to comprise a block of 8-storeys industrial building with 3 levels of basement.</p> <p>The proposed industrial building is planned to comprise a total gross floor area of approximately 40,329 sq.m. (434,101 sq.ft.), excluding the basement area of approximately 8,355 sq.m. (89,933 sq.ft.).</p> <p>The land use rights of the property have been granted for a term of 50 years from 15 September, 2000 to 14 September, 2050 for industrial use.</p>	The property is currently a construction site and the proposed development is scheduled to be completed in late 2002.	HK\$56,000,000

Notes:—

- (1) Pursuant to the Realty Title Certificate No. 4000066545 issued by the People's Government of Shenzhen, the land use rights of the property are held by Topsearch Printed Circuits (Shenzhen) Ltd. Details of the said certificate are, inter alia, cited as follows:—

(i)	Certificate No.	:	4000066545
(ii)	Date of registration	:	03-04-2002
(iii)	Lot No.	:	K320-0002
(iv)	Location	:	East of Shekou Gongye Avenue and west of Liyuan Road
(v)	Use of land	:	Industrial
(vi)	Land use term	:	50 years from 15-09-2000 to 14-09-2050
(vii)	Land use area	:	11,208.50 sq.m.
(viii)	Restriction on alienation	:	The property is prohibited from sale whilst any lease or mortgage of the property shall be subject to compliance with relevant regulations

In the course of our valuation, we have taken into account the PRC legal opinion of the Group's legal advisers on PRC law (see Note(7) below) and have assumed that the aforesaid restriction on alienation has been removed and Topsearch Printed Circuits (Shenzhen) Ltd. has obtained transferable land use rights in respect of the property for a specific land use term at nominal annual land use fee and all requisite land premium for such transferable land use rights have been fully settled. We have also assumed that Topsearch Printed Circuits (Shenzhen) Ltd. is entitled to freely transfer, mortgage or lease the property without payment of any additional land premium.

- (2) Pursuant to the Planning Permit for Construction Use of Land No. 04-2000-0033 issued by Shenzhen Planning and Land Administration Bureau (Nanshan Branch) on 10 July, 2000, Topsearch Printed Circuits (Shenzhen) Ltd. is permitted to use the land of the property for construction. Details of the said permit are, inter alia, cited as follows:—
- (i) Location : East of Gongye Avenue, west of Liyuan Road,
South of Gongye 7th Road and
North of Gongye 6th Road
 - (ii) Land use area : 11,208.50 sq.m.
 - (iii) Use of land : Industrial
 - (iv) Plot ratio : ≤3.6
 - (v) Site coverage : ≤46.4%
- (3) Pursuant to the Planning Permit for Construction Works No. (2001) N065 issued by Shenzhen Planning and Land Administration Bureau (Nanshan Branch) on 8 August, 2001, Topsearch Printed Circuits (Shenzhen) Ltd. is permitted to develop the property. Details of the said permit are, inter alia, cited as follows:—
- (i) Name of development : Topsearch Building
 - (ii) Use of building : Industrial
 - (iii) Gross floor area : 40,329 sq.m.
(gross floor area for calculating of plot ratio)
8,355 sq.m.
(gross floor area excluded from the calculation of plot ratio
but including basement car park and facilities)
 - (iv) No. of block : 1
 - (v) No. of storey : 8
 - (vi) Car parking space requirement : 80
- (4) Pursuant to two Commencement Permits for Construction Works Nos.440300200101200103 and 440300200108200201 issued by Shenzhen Construction Administration Bureau on 2 March, 2001 and 27 August, 2001 respectively, Topsearch Printed Circuits (Shenzhen) Ltd. was permitted to commence the construction works for the building of the property.
- (5) Pursuant to the Business Licence No. 300239 dated 15 December, 2000, Topsearch Printed Circuits (Shenzhen) Ltd. was incorporated as a foreign enterprise with a registered capital of US\$32,000,000 and has an operation period from 25 September, 1987 to 25 September, 2007.
- (6) As advised by the Group, the estimated total of the construction cost expended as at 30 April, 2002 was approximately HK\$40,400,000. In the course of our valuation, we have taken into account the said construction costs.
- (7) The opinion of the Group's legal advisers on PRC law states, inter alia, that:—
- (i) According to the Realty Title Certificate No. 4000066545, Topsearch Printed Circuits (Shenzhen) Ltd. has obtained the land use rights of the property with a site area of 11,208.50 sq.m. and the land use term granted is 50 years from 15 September, 2000 to 14 September, 2050 for industrial use.
 - (ii) Topsearch Printed Circuits (Shenzhen) Ltd. has paid all the requisite land premium for the use and occupation of the land. During the aforesaid land use term granted, Topsearch Printed Circuits (Shenzhen) Ltd. is entitled to occupy and use of the property but the same is prohibited from sale whilst mortgage or lease of the property shall be subject to compliance with relevant regulations.
 - (iii) According to the relevant rules and regulations in Shenzhen, land premium for the grant of land use rights for the use of new and high technology purposes would be at a concessionary rate rather than a full land premium and sale of such kind of land shall be subject to the approval of the relevant land administration authorities and payment of the shortfall of the full land premium. The land use rights of the property have been granted to Topsearch Printed Circuits (Shenzhen) Ltd. for new and high

technology uses at a concessionary land premium under such rules and regulations, If Topsearch Printed Circuits (Shenzhen) Ltd. intends to transfer, mortgage or lease the property, it shall have to apply for approval of the relevant land administration authorities and complete the relevant procedures and settle the shortfall of the full land premium in advance. Topsearch Printed Circuits (Shenzhen) Ltd. has lodged application to the relevant land administration authorities for removal of the aforesaid restriction on alienation.

- (iv) According to the PRC legal advisers' enquiry of Shenzhen Planning and Land Administration Bureau, the current market value of the full land premium of the property is approximately RMB26,838,949.50 (such amount shall be subject to the final decision of Shenzhen Planning and Land Administration Bureau). As Topsearch Printed Circuits (Shenzhen) Ltd. has fully settled the concessionary land premium of RMB3,698,806, the estimated shortfall of land premium payable by Topsearch Printed Circuits (Shenzhen) Ltd. for removal of restriction on alienation and conversion the title into freely transferable land use rights is approximately RMB23,140,143.50 (such amount shall be subject to the final decision of Shenzhen Planning and Land Administration Bureau).
 - (v) Upon the approval of relevant land administration authorities and completion of the relevant procedures as well as settlement of the aforesaid shortfall of the full land premium, Topsearch Printed Circuits (Shenzhen) Ltd. shall be entitled to freely transfer, mortgage and lease the property. Provided that the approval and registration requirements have been fulfilled, there shall be no legal impediment for Topsearch Printed Circuits (Shenzhen) Ltd. to complete the above-mentioned procedures.
 - (vi) Topsearch Printed Circuits (Shenzhen) Ltd. has obtained Planning Permit for Construction Use of Land No. 04-2000-0033 and Planning Permit for Construction Works No. (2002)N065.
 - (vii) Topsearch Printed Circuits (Shenzhen) Ltd. has obtained all necessary Government permits and approvals in relation to the construction of the building on the property and the same are still valid and subsisting. There shall be no legal impediment for Topsearch Printed Circuits (Shenzhen) Ltd. to obtain the Realty Title Certificate in respect to the building of the property subject to completion of the construction works and passing the examination of the same by the relevant authorities.
- (8) We have relied on the aforesaid legal opinion and prepared our valuation on the following basis:—
- (i) Topsearch Printed Circuits (Shenzhen) Ltd. is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of its land use rights at no extra land premium or other onerous payments payable to the government.
 - (ii) All land premium and other costs of ancillary utilities services have been settled in full.
 - (iii) The design and construction of the proposed development are in compliance with the local planning regulations and have been approved by the relevant authorities.
 - (iv) The property may be disposed of freely to both local and overseas purchasers.
- (9) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the aforesaid legal opinion are as follows:—

Realty Title Certificate	Yes (Land only)
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Commencement Permit for Construction Works	Yes
Business Licence	Yes

Group III — Property interests rented by the Group in Hong Kong

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
<p>4. Units 3301-3308 and 3318, 33rd Floor, China Merchants Tower, Shun Tak Center, 168-200 Connaught Road Central, Hong Kong</p>	<p>The property comprises various units on the 33rd level of a 31-storey office building erected over a 6-storey carpark/commercial podium completed in 1986.</p> <p>The property has a total gross floor area of approximately 1,188.03 sq.m. (12,788 sq.ft.) and is currently occupied by the Group as an office.</p> <p>The property is currently rented by the Group for a lease term of 3 years from 15 April, 2000 to 14 April, 2003 at a monthly rent of HK\$230,184, exclusive of Government rates, air-conditioning charges, management fee and other outgoings with an option to renew for a further term of 3 years at then market rent.</p>	No commercial value
<p>5. Workshop Unit Nos. 1701 and 1704 on the 17th Floor and Workshop Unit No. 2101 on the 21st Floor, Hong Kong Worsted Mills Industrial Building, 31-39 Wo Tong Tsui Street, Kwai Chung, New Territories</p>	<p>The property comprises two units on the 17th level and a unit on the 21st level of a 27-storey industrial building completed in 1983.</p> <p>The property has a total gross floor area of approximately 1,243.40 sq.m. (13,384 sq.ft.) and is currently occupied by the Group as warehouses and ancillary offices.</p> <p>The property is currently rented by the Group for various lease terms with the latest term expiring on 31 December, 2002 at a total monthly rent of HK\$53,536, exclusive of rates, Government rent, management fee and other outgoings.</p>	No commercial value
<p>6. House 7 and the Garden appurtenant thereto and Car Parking Spaces Nos. 7A and 7B on Basement Floor, Las Pinadas, No. 33 Shouson Hill Road, Hong Kong</p>	<p>The property comprises a garden and a house with two car parking spaces completed in 1995.</p> <p>The property has a gross floor area of approximately 313.55 sq.m. (3,375 sq.ft.) with terrace, roof and garden areas of approximately 17.37 sq.m. (187 sq.ft.), 72.09 sq.m. (776 sq.ft.) and 38.74 sq.m. (417 sq.ft.) respectively and is currently occupied by the Group as a staff quarter.</p> <p>The property is currently rented by the Group for a lease term of 3 years from 22 May, 2002 to 21 May, 2005 at a monthly rent of HK\$115,000, exclusive of rates, management fee and other outgoings with an option to renew for a further term of 3 years at then market rent.</p>	No commercial value

Group IV — Property interests rented by the Group in the PRC

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
<p>7. Unit C on the 1st Level, Units A, B, C and D on the 2nd Level and Unit D on the 3rd Level, Block No. 7, Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province</p>	<p>The property comprises various units on the 1st to 3rd levels of a 5-storey industrial building completed in 1988.</p> <p>The property has a total gross floor area of approximately 7,193.83 sq.m. (77,434 sq.ft.) and is currently occupied by the Group as workshops.</p> <p>The property is currently rented by the Group for various lease terms with the latest term expiring on 31 January, 2005 at a total monthly rent of RMB160,741.70, exclusive of utilities charges, management fee and other outgoings.</p>	No commercial value
<p>8. Units C and D on the 1st Level and Level 5, Block No. 8, Xinghua Industrial Building, Gongye Avenue, Shekou, Nanshan District, Shenzhen, Guangdong Province</p>	<p>The property comprises 2 units on the 1st level and the 5th level of a 5-storey industrial building completed in 1988.</p> <p>The property has a total gross floor area of approximately 4,798.80 sq.m. (51,654 sq.ft.) and is currently occupied by the Group as workshops and warehouses.</p> <p>The property is currently rented by the Group for various lease terms with the latest term expiring on 24 November, 2004 at a total monthly rent of RMB96,872.40, exclusive of utilities charges, management fee and other outgoings.</p> <p>Up to the issue of the relevant PRC legal opinion, the Group's legal advisers on the PRC law have not been able to verify the validity of the lease agreement in respect of level 5 of the property.</p>	No commercial value
<p>9. Level 3 of Block E, Gangwan Industrial Building, Xin Street, Shekou, Nanshan District, Shenzhen, Guangdong Province</p>	<p>The property comprises the 3rd level of a 5-storey industrial building completed in the 1980's.</p> <p>The property has a gross floor area of approximately 995 sq.m. (10,710 sq.ft.) and is currently occupied by the Group as warehouse.</p> <p>The property is currently rented by the Group for a lease term from 4 January, 2001 to 4 January, 2003 at a monthly rent of RMB16,915, exclusive of utilities charges, management fee and other outgoings.</p>	No commercial value

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
10. Level 5 of Block F, Gangwan Industrial Building, Xin Street, Shekou, Nanshan District, Shenzhen, Guangdong Province	<p>The property comprises the 5th level of a 5-storey industrial building completed in the 1980's.</p> <p>The property has a gross floor area of approximately 986 sq.m. (10,613 sq.ft.) and is currently occupied by the Group as a warehouse.</p> <p>The property was rented by the Group for a lease term from 15 May, 2000 to 15 May, 2001 at a monthly rent of RMB13,804, exclusive of utilities charges, management fee and other outgoings. Since the expiry of the said lease term, the Group rented and is still renting the property at the same rent.</p> <p>Up to the issue of the relevant PRC legal opinion, the Group's legal advisers on the PRC law have not been able to verify the legality of the use of the property by the Group.</p>	No commercial value
11. Portions of an Industrial Complex situated at 4 Liwan Road, Nanshan District, Shekou, Shenzhen, Guangdong Province	<p>The property comprises a single-storey industrial building, an unit on the 2nd level of a composite building and a bicycle shed of an industrial complex completed in the 1990's.</p> <p>The industrial building of the property has a total gross floor area of approximately 3,313 sq.m. (35,661 sq.ft.) and is currently occupied by the Group as workshop and warehouse whilst the unit in the composite building of the property has a gross floor area of approximately 60 sq.m (646 sq.ft.) and is currently occupied by the Group as staff quarters. The bicycle shed of the property has a site area of approximately 100 sq.m. (1,076 sq.ft.) and is currently occupied by the Group as bicycle parking spaces.</p> <p>The property is currently rented by the Group for various lease terms with the latest term expiring on 31 May, 2003 at a total monthly rent of RMB52,240, exclusive of utilities charges, management fee and other outgoings.</p> <p>Up to the issue of the relevant PRC legal opinion, the Group's legal advisers on the PRC law have not been able to verify the validity of the lease agreements in respect of the property.</p>	No commercial value

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
12. Various Residential Units of Nanshan Court, Huacai Garden, Gongye 7th Road, Shekou, Nanshan District, Shenzhen, Guangdong Province	<p>The property comprises a total of 23 units on various levels of a 30-storey residential building plus a single level basement completed in 1994.</p> <p>The property has a total gross floor area of approximately 2,618.78 sq.m. (28,189 sq.ft.) and is currently occupied by the Group as staff quarters.</p> <p>Portions of the property comprising 16 units were rented by the Group for a lease term from 1 May, 2001 to 1 May, 2002 at a total monthly rent of RMB45,000, inclusive of water, electricity and telephone charges but exclusive of management fee and other outgoings. Since the expiry of the said lease term, the Group rented and is still renting the said 16 units at the same rent. The remaining portions of the property comprising a total of 7 units are currently rented by the Group for various lease terms with the latest term expiring on 1 March, 2003 at a total monthly rent of RMB16,300, inclusive of water, electricity and telephone charges but exclusive of management fee and other outgoings.</p> <p>Up to the issue of the relevant PRC legal opinion, the Group's legal advisers on the PRC law have not been able to verify the validity of the lease agreements in respect of 18 units of the property.</p>	No commercial value
13. Unit No. 602 on the 6th Level, Block No. 27, Haiyue Garden, Houhai Road, Shekou, Nanshan District, Shenzhen, Guangdong Province	<p>The property comprises an unit on the 6th level of a 10-storey residential building completed in 1998.</p> <p>The property has a gross floor area of approximately 151 sq.m. (1,625 sq.ft.) and is currently occupied by the Group as staff quarters.</p> <p>The property is currently rented by the Group for a lease term of 1 year from 11 September, 2001 to 10 September, 2002 at a monthly rent of RMB6,800, exclusive of utilities charges, management fee and other outgoings.</p> <p>Up to the issue of the relevant PRC legal opinion, the Group's legal advisers on the PRC law have not been able to verify the validity of the lease agreement in respect of the property.</p>	No commercial value

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
14. Various Residential Units of Zizhuyuan, Lanyuan, Binlangyuan and Sihaiqi, Shekou, Nanshan District, Shenzhen, Guangdong Province	<p>The property comprises a total of 582 units on various levels of various blocks of medium-rise residential building completed in the 1990's.</p> <p>The property has a total gross floor area of approximately 22,977 sq.m. (247,324 sq.ft.) and is currently occupied by the Group as staff quarters.</p> <p>The property is currently rented by the Group for various lease terms with the latest term expiring on 30 April, 2004 at a total monthly rent of RMB450,822.80.</p> <p>Up to the issue of the relevant PRC legal opinion, the Group's legal advisers on the PRC law have not been able to verify the validity of the lease agreements in respect of the property.</p>	No commercial value
15. A portion of Unit A on the 2nd Level, Block A, Development Building, 51 Rijing Road, Shanghai Waigaoqiao Free Trade Zone, Pudong New District, Shanghai	<p>The property comprises an unit on the 2nd level of a 4-storey office building completed in the 1990's.</p> <p>The property has a gross floor area of approximately 34 sq.m. (366 sq.ft.) and is currently occupied by the Group as an office.</p> <p>The property is currently rented by the Group for a lease term of 1 year from 1 November, 2001 to 31 October, 2002 at a monthly rent of US\$310, inclusive of utilities charges and other outgoings.</p> <p>Up to the issue of the relevant PRC legal opinion, the Group's legal advisers on the PRC law have not been able to verify the validity of the lease agreement in respect of the property.</p>	No commercial value

Group V — Property interest rented by the Group in Taiwan

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
16. Unit 3 on the 12th Floor, Sheng-Li Building 88 Chung-Shang Road, Chung-Li City, Tao-Yuan Hsien, Taiwan	<p>The property comprises an unit on the 12th level of a 23-storey office building plus 3 levels of basement completed in the 1990's.</p> <p>The property has a gross floor area of approximately 54.21 sq.m. (584 sq.ft.) and is currently occupied by the Group as an office.</p> <p>The property is currently rented by the Group for a lease term of 1 year from 10 February, 2002 to 9 February, 2003 at a monthly rent of NT\$8,500, exclusive of utilities charges, management fee and other outgoings.</p>	No commercial value

Group VI — Property interest rented by the Group in Singapore

17. #05-01 Mactech Industrial Building, No. 2 Kallang Pudding Road, Singapore 349307	<p>The property comprises an unit on the 5th level of a 9-storey office building plus a single level basement car park completed in the 1990's.</p> <p>The property has a gross floor area of approximately 111.02 sq.m. (1,195 sq.ft.) and is currently occupied by the Group for industrial and ancillary office uses.</p> <p>The property is currently rented by the Group for a lease term of 3 years from 16 September, 2001 to 15 September, 2004 at a monthly rent of SIN\$1,639 for the period from 16 September, 2001 to 15 September, 2003 and SIN\$1,698.75 from 16 September, 2003 to 15 September, 2004, exclusive of service charges, utilities charges, management fee and other outgoings with an option to renew for a further term of 2 years at then market rent.</p>	No commercial value
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Group VII — Property interest rented by the Group in Malaysia

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
18. 24D, Jalan Tun Dr. Awang, 11900 Palau Pinang, Malaysia	<p>The property comprises an unit on the 4th level of a 5-storey office building completed in the 1990's.</p> <p>The property has a gross floor area of approximately 67.48 sq.m. (726 sq.ft.) and is currently occupied by the Group as an office.</p> <p>The property is currently rented by the Group for a lease term of 1 year from 1 July, 2001 to 30 June, 2002 at a monthly rent of RM350, exclusive of utilities charges, management fee and other outgoings.</p> <p>Up to the issue of the relevant Malaysia legal opinion, the Group's legal advisers on the Malaysia law have not been able to verify the validity of the lease agreement in respect of the property.</p>	No commercial value

Group VIII — Property interest rented by the Group in Thailand

19. House No. 115/4, Moo 6 Bang Kruay Sainoi Road, Bang-Rak-Pattana, Bang-Bua-Thong, Nonthaburi Province, Thailand	<p>The property comprises a 2-story residential house completed in the 1990's.</p> <p>The property has a gross floor area of approximately 102.19 sq.m. (1,100 sq.ft.) and is currently occupied by the Group as staff quarters and ancillary office.</p> <p>The property is currently rented by the Group for a lease term from 1 January, 2001 to 30 November, 2003 at a monthly rent of Baht10,000.</p> <p>Up to the issue of the relevant Thailand legal opinion, the Group's legal advisers on the Thailand law have not been able to verify the validity of the lease agreement in respect of the property.</p>	No commercial value
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Group IX — Property interest rented by the Group in the United Kingdom

Property	Description and tenancy particulars	Capital value in existing state as at 30 April, 2002
20. Steps End House, Cautley, Sedbergh, Cumbria, LA10 5LZ, UK	<p>The property comprises a portion of a 2-storey residential house completed in the 1990's.</p> <p>The property has a gross floor area of approximately 21.09 sq.m. (227 sq.ft.) and is currently occupied by the Group as an office.</p> <p>The property is currently rented by the Group for lease term during the duration of Dudley Carruthers's (one of the landlords) employment by the Group or before by mutual agreement at an annual rent of GBP5,400, inclusive of rates, light, heat and water charges.</p>	No commercial value

Group X — Property interest rented by the Group in the United States of America

21. 13170G, Pond Springs Road, Austin TX 78729 USA	<p>The property comprises a portion of a 2-storey residential house completed in the 1990's.</p> <p>The property has a gross floor area of approximately 70.14 sq.m. (755 sq.ft.) and is currently occupied by the Group as an office.</p> <p>The property is currently rented by the Group on a monthly basis at a monthly rent US\$650, inclusive of utilities charges, management fee and other outgoings.</p>	No commercial value
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