

APPENDIX III

PROPERTY VALUATION

[●] 2009

The Board of Directors
Jiangchen International Holdings Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

Dear Sirs,

In accordance with your instructions to value the properties in which Jiangchen International Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC"), we confirm that we have carried out 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 capital values of the property interests as at 30 June 2009 (the "date of valuation").

Our valuation of the property interests represents 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".

We have valued the property interests in Group I by depreciated replacement cost approach. Where, due to the nature of the buildings and structures of the property interests in Group I and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available. The property interests have therefore been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimization". It is based on an estimate of the market value for the existing use of the land, plus the current cost or replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

We have attributed no commercial value to the property interests in Group II, which is leased by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

Our valuation has 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.

APPENDIX III

PROPERTY VALUATION

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense 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.

In valuing the property interests, we have complied with all requirements contained in Chapter 8 of the Rules Governing the [●] of Securities on the Growth Enterprise Market issued by The [●] of Hong Kong Limited; the RICS Valuation Standards (6th Edition) published by the Royal Institution of Surveyors; and the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

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, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates and Building Ownership Certificates relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers – SHU JIN LAW FIRM, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us 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.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

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 arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

APPENDIX III

PROPERTY VALUATION

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of

[●]

Paul L. Brown

B.Sc. FRICS FHKIS

Director

Note: Paul L. Brown is a Chartered Surveyor who has 26 years' experience in the valuation of properties in the PRC and 29 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

APPENDIX III

PROPERTY VALUATION

SUMMARY OF VALUES

Group I – Property interests owned and occupied by the Group in the PRC

No.	Property	Capital value in existing state as at 30 June 2009 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 30 June 2009 <i>RMB</i>
1.	2 parcels of land, various buildings and structures located at Zhen Nan Guan and Chang Feng Ling, Shi Zhen Wan Nian County Jiangxi Province The PRC	3,650,000	100%	3,650,000
2.	A parcel of land, various buildings and structures located at Qing Yun Road Qing Yun Town Wan Nian County Jiangxi Province The PRC	2,980,000	100%	2,980,000
3.	A parcel of land, various buildings and structures located at Zhai Shan Hu Yun Village Wan Nian County Jiangxi Province The PRC	1,404,000	100%	1,404,000
			Sub-total:	<u><u>8,034,000</u></u>

APPENDIX III

PROPERTY VALUATION

Group II – Property interests rented and occupied by the Group in the PRC

No.	Property	Capital value in existing state as at 30 June 2009 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 30 June 2009 <i>RMB</i>
4.	Two buildings located at Feng Shou Industrial Park Wan Nian County Jiangxi Province The PRC	No commercial value	100%	No commercial value
5.	Level 4, No. 20 Zheng Da Street Wan Nian County Jiangxi Province The PRC	No commercial value	100%	No commercial value
6.	Unit B1-2-34 Tian Yuan Xing Guang Liu Ling South Road Chen Ying Town Wan Nian County Jiangxi Province The PRC	No commercial value	100%	No commercial value
7.	Level 2, Western Portion of Industrial Building No. 4 Cheng Zhou Industrial Area Feng Ze District Quan Zhou City Fujian Province The PRC	No commercial value	100%	No commercial value
			Sub-total:	<u><u>Nil</u></u>
			Total:	<u><u>8,034,000</u></u>

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Group I – Property interests owned and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
1.	2 parcels of land, various buildings and structures located at Zhen Nan Guan and Chang Feng Ling, Shi Zhen Wan Nian County Jiangxi Province The PRC	<p>The property comprises 2 parcels of land with total site area of approximately 19,998 sq.m. and 13 buildings erected thereon which were completed in 1980's.</p> <p>The buildings have a total gross floor area of approximately 4,575.96 sq.m.</p> <p>The buildings mainly include industrial buildings, ancillary office buildings, staff quarters and stores, etc.</p> <p>The structures mainly include boundary fences, roads and gates, etc.</p> <p>The land use rights of the property have been granted for various terms with the expiry dates on 22 January 2055 and 24 November 2055 respectively for industrial uses.</p>	The property is currently occupied by the Group for production, office and storage purposes.	<p>3,650,000</p> <p>100% interest attributable to the Group: RMB3,650,000 (see note 3 for date and cost of acquisition)</p>

Notes:

- Pursuant to 2 State-owned Land Use Rights Certificates – Wan Guo Yong (2005) Di No. 0411-23 and Wan Guo Yong (2005) Di No. 0411-36, the land use rights with a total site area of approximately 19,998 sq.m. have been granted to Jiangxi Province Wan Nian Xing Textiles and Dress Co., Ltd. (江西省萬年興紡織服裝有限公司) for various terms with the expiry dates on 22 January 2055 and 24 November 2055 respectively for industrial uses.
- Pursuant to 13 Building Ownership Certificates – Wan Fang Quan Zheng Shi Zhen Zi Di Nos. 16-C0216, 16-C0217, 16-C0218, 16-C0219, 16-C0222, 16-C0215, 16-C0220, 16-C0221, 16-C0223, 16-C0224, 16-C0225, 16-C0226 and 16-C0227, the buildings with a total gross floor area of approximately 4,575.96 sq.m. are owned by Jiangxi Province Wan Nian Xing Textiles and Dress Co., Ltd. (江西省萬年興紡織服裝有限公司) for industrial uses.
- Pursuant to an Agreement dated 20 May 2005 between the People's Government of Shi Zhen Wan Nian County Jiangxi Province (Party A) and Jiangxi Province Wan Nian Xing Textiles and Dress Co., Ltd. (江西省萬年興紡織服裝有限公司) (Party B), Party B acquired the property from Party A for a consideration RMB 3,319,049.7 for industrial uses.
- Jiangxi Province Wan Nian Xing Textiles and Dress Co., Ltd. (江西省萬年興紡織服裝有限公司) is an indirect wholly-owned subsidiary of the Company.

APPENDIX III

PROPERTY VALUATION

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Jiangxi Province Wan Nian Xing Textiles and Dress Co., Ltd. (江西省萬年興紡織服裝有限公司) is the sole owner of the property with legal and valid property right; and
 - b. The property has been collateralized to Bank of China, Wannian Branch for the period of 17 February 2009 to 15 January 2010.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
2.	A parcel of land, various buildings and structures located at Qing Yun Road Qing Yun Town Wan Nian County Jiangxi Province The PRC	<p>The property comprises a parcel of land with site area of approximately 7,675.70 sq.m. and 11 buildings erected thereon which were completed in 2000's.</p> <p>The buildings have a total gross floor area of approximately 3,908.63 sq.m.</p> <p>The buildings mainly include industrial buildings, ancillary office buildings, staff quarters and stores, etc.</p> <p>The structures mainly include boundary fences, roads and gates, etc.</p> <p>The land use rights of the property have been granted for a term with the expiry date on 24 November 2055 for industrial uses.</p>	<p>The property is currently occupied by the Group for production, office and storage purposes.</p>	<p>2,980,000</p> <p>100% interest attributable to the Group: RMB2,980,000 (see note 3 for date and cost of acquisition)</p>

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Wan Guo Yong (2005) Di No. 0511-21, the land use rights with a site area of approximately 7,675.70 sq.m. has been granted to Wan Nian County Xiang Yun Fibers and Fabrics Co., Ltd. (萬年縣祥雲纖維紡織有限公司) for a term with the expiry date on 24 November 2055 for industrial uses.
2. Pursuant to 11 Building Ownership Certificates – Wan Fang Quan Zheng Qing Yun Zi Di Nos. 11-C0267, 11-C0269 to 11-C0278 the buildings with a total gross floor area of approximately 3,908.63 sq.m. are owned by Wan Nian County Xiang Yun Fibers and Fabrics Co., Ltd. (萬年縣祥雲纖維紡織有限公司) for industrial uses.
3. Pursuant to an Agreement dated 30 May 2005 between the People's Government of Qing Yun Town Wan Nian County Jiangxi Province (Party A) and Wan Nian County Xiang Yun Fibers and Fabrics Co., Ltd. (萬年縣祥雲纖維紡織有限公司) (Party B), Party B acquired the property from Party A for a consideration RMB 2,414,859.7 for industrial uses.
4. Wan Nian County Xiang Yun Fibers and Fabrics Co., Ltd. (萬年縣祥雲纖維紡織有限公司) is an indirect wholly-owned subsidiary of the Company.

APPENDIX III

PROPERTY VALUATION

5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. Wan Nian County Xiang Yun Fibers and Fabrics Co., Ltd. (萬年縣祥雲纖維紡織有限公司) is the sole owner of the property with legal and valid property right; and
 - b. The property has been collateralized to Bank of China, Wannian Branch for the period of 17 February 2009 to 15 January 2010.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
3.	A parcel of land, various buildings and structures located at Zhai Shan Hu Yun Village Wan Nian County Jiangxi Province The PRC	<p>The property comprises a parcel of land with site area of approximately 8,459 sq.m. and 8 buildings erected thereon which were completed in 1980's.</p> <p>The buildings have a total gross floor area of approximately 2,154.60 sq.m.</p> <p>The buildings mainly include industrial buildings, ancillary office buildings, staff quarters and stores, etc.</p> <p>The structures mainly include boundary fences, roads and gates, etc.</p> <p>The land use rights of the property have been granted for a term with expiry date on 21 November 2055 for industrial uses.</p>	The property is currently vacant.	<p>1,404,000</p> <p>100% interest attributable to the Group: RMB1,404,000 (see note 3 for date and cost of acquisition)</p>

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Wan Guo Yong (2005) Di No. 0931-29, the land use rights with a site area of approximately 8,459.00 sq.m. has been granted to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) for a term with the expiry dates on 21 November 2055 for industrial uses.
2. Pursuant to 8 Building Ownership Certificates – Wan Fang Quan Zheng Hu Yun Zi Di Nos. 19-C0128 to 19-C0135, the buildings with a total gross floor area of approximately 2,154.6 sq.m. are owned by Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) for industrial uses.
3. Pursuant to an Agreement dated 28 January 2005 between the People's Government of Hu Yun Village Wan Nian County Jiangxi Province (Party A) and Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) (Party B), Party B acquired the property from Party A for a consideration RMB 1,399,781.03 for industrial uses.
4. As advised by the Company, the property has been planned to carry an improvement construction works of the existing buildings and structures in the second half of year 2010.
5. Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) is an indirect wholly-owned subsidiary of the Company.

APPENDIX III

PROPERTY VALUATION

6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) is the sole owner of the property with legal and valid property right; and
 - b. The property has been collateralized to Bank of China, Wannian Branch for the period of 17 February 2009 to 15 January 2010.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Group II – Property interests rented and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
4.	Two buildings located at Feng Shou Industrial Park Wan Nian County Jiangxi Province The PRC	<p>The property comprises 2 industrial buildings completed in 1980's.</p> <p>The buildings have a total lettable area of approximately 3,828.77 sq.m.</p> <p>The Property is leased to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) from a connected party for a term of 3 years expiring on 31 December 2011 at an annual rent of RMB144,000 exclusive of management fees (if any), water and electricity charges.</p>	The property is currently occupied by the Group for production, office and storage purposes.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement and Supplementary Tenancy Agreement, the property is leased to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) from Jiangxi Hongfeng Textile Company Limited (江西泓峰紡織有限公司), a connected party, for a term of 3 years expiring on 31 December 2011 at an annual rent of RMB144,000 exclusive of management fees (if any), water and electricity charges with the pre-emption right to renew the tenancy agreement.
2. Pursuant to the supplementary Tenancy Agreement date 26 June 2009, Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) has the pre-emption right to renew the tenancy agreement subject to prevailing rental agreement after the expiration of the existing tenancy agreement.
3. Jiangxi Hongfeng Textile Company Limited has been granted a "Certificate of Real Estate for Leasing" – (Wan Fang Zu Zheng (02) Zi (2009) Nian Di No. 02), effective date from 1 January 2009 to 1 January 2010 by Jiangxi Province Wan Nian County Land and Building Exchange Centre on 11 May 2009.
4. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Tenancy Agreement is legal, valid and binding on both signing parties.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
5.	Level 4, No. 20 Zheng Da Street Wan Nian County Jiangxi Province The PRC	<p>The property comprises a whole of level 4 of a 10-storey office building completed in 2005.</p> <p>The property has a lettable area of approximately 220 sq.m.</p> <p>The Property is leased to Wannianxian Xiefeng Textiles (萬年縣協豐紡織服飾有限公司) and Garments Co., Ltd. from an independent party for a term of 3 years expiring on 31 December 2009 at an annual rent of RMB24,000 exclusive of management fees, gas, water and electricity charges.</p>	<p>The property is currently occupied by the Group for office purpose.</p>	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement, the property is leased to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) from China Construction Bank Wan Nian Branch, independent third party, for a term of 3 years expiring on 31 December 2009 at an annual rent of RMB24,000 exclusive of management fees, gas, water and electricity charges.
2. China Construction Bank Wan Nian Branch has been granted a "Certificate of Real Estate for Leasing" (Wan Fang Zu Zheng (01) Zi (2009) Nian Di No. 01), effective date from 1 January 2009 to 1 January 2010 by Jiangxi Province Wan Nian County Land and Building Exchange Centre on 11 May 2009.
3. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Tenancy Agreement is legal, valid and binding on both signing parties.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
6.	Unit B1-2-34 Tian Yuan Xing Guang Liu Ling South Road Chen Ying Town Wan Nian County Jiangxi Province The PRC	<p>The property comprises a shop unit on level 2 of a multi-storey shopping centre building completed in 2004.</p> <p>The property has a lettable area of approximately 44.16 sq.m.</p> <p>The Property is leased to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) from an independent third party for a term of 1 year expiring on 1 March 2010 at an annual rent of RMB24,000 exclusive of management fees, water and electricity charges.</p>	The property is currently occupied by the Group for retail purpose.	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement, the property is leased to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) from Yu Feng Jiao (余鳳嬌), independent third party, for a term of 1 year expiring on 1 March 2010 at an annual rent of RMB24,000 exclusive of management fees, water and electricity charges with pre-emption right to renew the tenancy agreement. Also, it has a right of subletting the property subject to prior consent from the Landlord.
2. Yu Feng Jiao (余鳳嬌) has been granted a "Certificate of Real Estate for Leasing" (Wan Fang Zu Zheng (03) Zi (2009) Nian Di No. 03), effective date from 1 January 2009 to 1 January 2010 by Jiangxi Province Wan Nian County Land and Building Exchange Centre on 14 May 2009.
3. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Tenancy Agreement is legal, valid and binding on both signing parties.

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2009 RMB
7.	Level 2, Western Portion of Industrial Building No. 4 Cheng Zhou Industrial Area Feng Ze District Quan Zhou City Fujian Province The PRC	<p>The property comprises the level 2 of a 6-storey industrial building completed in 2004.</p> <p>The property has a lettable area of approximately 600 sq.m.</p> <p>The Property is leased to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) from a connected party for a term of 3 years expiring on 14 March 2012 at a monthly rent of RMB2,400 exclusive of all out going charges.</p>	<p>The property is currently occupied by the Group for showroom and ancillary office purposes.</p>	No commercial value

Notes:

1. Pursuant to a Tenancy Agreement and Supplementary Tenancy Agreement, the property is leased to Wannianxian Xiefeng Textiles and Garments Co., Ltd. (萬年縣協豐紡織服飾有限公司) from Mr. Tsoi Kam On, a connected party, for a term of 3 years expiring on 14 March 2012 at a monthly rent of RMB2,400 exclusive all out going charges with the pre-emption right to renew the tenancy agreement.
2. The Tenancy Agreement has been registered, effective date from 1 January 2009 to 31 December 2009, and granted by Bureau of Real Estate Management, Quan Zhou on 11 May 2009.
3. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Tenancy Agreement is legal, valid and binding on both signing parties.