

The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this prospectus received from LCH (Asia-Pacific) Surveyors Limited, an independent Professional Surveyor, in connection with its valuations as at 31 August 2011 on the property interests of the Group.



利駿行測量師有限公司

LCH (Asia-Pacific) Surveyors Limited

PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUER
BUSINESS & FINANCIAL SERVICES VALUER

The readers are reminded that the report which follows has been prepared in accordance with the guidelines set by the International Valuation Standards, Eighth Edition, 2007 (the “IVS”) published by the International Valuation Standards Committee as well as the HKIS Valuation Standards on Properties, First Edition, 2005 (the “HKIS Standards”) published by The Hong Kong Institute of Surveyors (“The HKIS”). Both standards entitle valuers to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translation of terms in English or in Chinese are for readers’ identification purpose only and have no legal status or implication on the report. This report is prepared and signed off in English format, translation of this report in language other than English shall only be used as a reference and should not be regarded as a substitute for this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings or conclusion of values presented below are based on the documents and facts known to the valuers at the date of this report. If additional documents and facts are made available, the valuers reserve the right to amend this report and its conclusions.

17th Floor
Champion Building
Nos. 287-291 Des Voeux Road Central
Hong Kong

14 November 2011

The Board of Directors
Grand Concord International Holdings Limited
Units 1108-1109, 11th Floor
Tower II Enterprise Square
No. 9 Sheung Yuet Road
Kowloon Bay
Kowloon
Hong Kong

Dear Sirs,

In accordance with the instructions given by the management of Grand Concord International Holdings Limited (hereinafter referred to as the “Company”) to us to value certain properties in which the Company and its subsidiaries (collectively, hereinafter together with the Company referred to as the “Group”) have interests in the People’s Republic of China (hereinafter referred to as the “PRC” or “China”) and to report the existing status of certain property interests rented by the Group in Hong Kong and the PRC, we confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary to support our findings and conclusion of values of the property interests as at 31 August 2011 (hereinafter referred to as the “Date of Valuation”) for the Company’s internal management reference purpose.

We understand that the use of our work product (regardless of form of presentation) will form part of the Company’s business due diligence to the properties and we have not been engaged to make specific sale or purchase recommendations, or give opinion for financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the management of the Company should conduct in reaching its business decision regarding the subject property interests. Our work is designed solely to provide information that will give a reference to the management of the Company as part of its due diligence process, and our work should not be the only factor to be referenced by the Company. Our findings and conclusion of values of these properties are documented in a valuation report and submitted to the Company at today’s date.

At the request of the management of the Company, we prepared this summary report (including this letter, summary of values and a valuation certificate) to summarise our findings and conclusion of values as documented in the valuation report for the purpose of inclusion in this prospectus at today’s date (the “Prospectus”) for the Company’s shareholders’ reference. Terms herein used without definition shall have the same meanings as in the valuation report, and the assumptions and caveats adopted in the valuation report also applied to this summary report.

VALUATION OF CERTAIN PROPERTIES HELD BY THE GROUP IN GROUP I

Basis of Valuation and Assumptions

According to the IVS which the HKIS Standards also follows, there are two valuation bases, namely market value basis and valuation bases other than market value. In this engagement, we have provided our values of the properties in Group I on market value basis.

The term “Market Value” is defined by the IVS and the HKIS Standards as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Unless otherwise stated, our valuations of the property interests in Group I have been made on the assumptions that as at the Date of Valuation:

1. the legally interested party in each of the properties has an absolute title to its relevant property interest;
2. the legally interested party in each of the properties sells its relevant property interest in the market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to increase the value of the property interest;
3. each of the properties has obtained relevant government's approvals for the sale of the property and is able to be disposed of and transferred free of all encumbrances (including but not limited to the cost of transaction and tax) in the market;
4. the legally interested party in each of the properties has free and uninterrupted rights to assign its relevant property interest for the whole of the unexpired term as granted and any premium payable has already been fully paid; and
5. each of the properties can be freely disposed of and transferred free of all encumbrances for its existing use as an unique interest in the market to both local and overseas purchasers without payment of any premium to the government.

Should any of the above not be the case, it will have adverse impact to our values.

Approach to Value

There are three generally accepted approaches in arriving at the market value of a property on an absolute title basis, namely the Sales Comparison Approach (or known as the Market Approach), the Cost Approach and the Income Approach.

In valuing Property Nos. 1, 2, 3 and 4 in Group I, having considered the general and inherent characteristics of the properties, we have adopted the depreciated replacement cost ("DRC") approach which is a procedural valuation approach and an application of the Cost Approach in valuing specialised properties like the properties. The use of this approach requires an estimate of the market value of the land use rights of the properties being valued for its existing use, and an estimate of the new replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition, and functional obsolescence taking into account of the site formation cost and those public utilities connection charges to the properties. The land use rights of the properties have been determined from market-based evidences by analysing similar sales or offerings or listings of comparable properties.

The valuations of these properties are on the assumption that the properties are subject to the test of adequate potential profitability of the business having due regard to the value of the total assets employed and the nature of the operation.

By using this approach, the land should be assumed to have the benefit of planning permission for the replacement of the existing buildings and it is always necessary when valuing the land, to have regard to the manner in which the land is developed by the existing buildings and site works, and the extent to which these realise the full potential value of the land. When considering a notional replacement site, it should normally be regarded as having the same physical and location characteristics as the actual site, other than characteristics of the actual site which are not relevant, or are of no value, to the existing use. In considering the buildings, the gross replacement cost of the buildings should take into consideration everything which is necessary to complete the construction from a new green field site to provide buildings as they are, at the date of valuation, fit for and capable of being occupied and used for the current use. These costs to be estimated are not to erect buildings in the future but have the buildings available for occupation at the date of valuation, the work having commenced at the appropriate time.

We need to state that our value of each of the Property Nos. 1, 2, 3 and 4 in Group I is not necessarily intended to represent the amount that might be realised from disposition of land use rights or various building(s) of each of the property on piecemeal basis in the open market.

In valuing Property No. 2 in Group I, we are given to understand that the property is subject to an inter-company lease. According to the HKIS Standards, property subject to inter-company lease shall be valued on owner occupied basis and the existence of the lease must be disregarded. Therefore, in our valuation, we have considered this property as being owner-occupied.

In valuing Property No. 5 in Group I, we have adopted the Sales Comparison Approach on the assumption that the property was sold with the benefit of vacant possession as at the Date of Valuation. This approach considers the sales, listings or offering of similar or substitute properties and related market data and establishes a value of a property that a reasonable investor would have to pay for a similar property of comparable utility and with an absolute title.

Unless otherwise stated, we have not carried out any valuation on a redevelopment basis to the properties and the study of possible alternative development options and the related economics do not come within the scope of our work product.

REPORTING OF CERTAIN RENTED PROPERTY INTERESTS IN GROUPS II AND III

Properties in Groups II and III are subject to various leasehold arrangements, and we have reported no commercial values to such property interests due mainly to the short-term nature of the tenancy agreements or prohibition against assignment or sub-letting or lack of substantial profit rents.

MATTERS THAT MIGHT AFFECT OUR VALUATIONS IN GROUP I

For the sake of valuations, we have adopted the areas as appeared in the copies of the documents as provided and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the rights to revise our report and the valuations accordingly.

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

In our valuations, we have assumed that the properties in Group I are able to be sold and purchased in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported values significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

As at the Latest Practicable Date of this Prospectus, we were unable to identify any adverse news against the properties which may affect the reported values in our work product. Thus, we are not in the position to report and comment on its impact (if any) to the properties. However, should it be established subsequently that such news did exist at the Date of Valuation, we reserve the right to adjust the values reported herein.

ESTABLISHMENT OF TITLES

Due to the purpose of this engagement and the market value basis of valuation, the management of the Company provided us the necessary copies of documents to support that the legally interested party in each of the properties in Group I has free and uninterrupted rights to transfer, to mortgage or to let its relevant property interest (in this instance, an absolute title) for the whole of the unexpired terms as granted, free of all encumbrances and any premiums payable have already been paid in full or outstanding procedures have been completed, and that the Group has the right to occupy and to use the properties. However, our procedures to value, as agreed with the management of the Company, did not require us to conduct legal due diligence on the legality and formality on the way that the legally interested party obtained the properties from the relevant authorities. We agreed with the management of the Company that this should be the responsibility of the legal advisor to the management of the Company. Thus, no responsibility or liability is assumed from our part to the origin and continuity of the titles to the properties.

We have been provided with copies of the title documents of the properties in Group I and copies of tenancy agreements of the properties in Groups II and III. For the property in Group II, we have conducted searches in the Land Registry of Hong Kong. We have not examined the original documents to verify the ownership and encumbrances or to ascertain the existence of any amendments, which may not appear on the copies handed to us. All documents disclosed (if any) are for reference only and no responsibility is assumed for any legal matters concerning the legal title and the rights (if any) to the property interests valued in Group I. Any responsibility for our misinterpretation of the documents cannot be accepted.

The land registration system of China forbid us to search the original documents of the properties in Group I that are filed in the relevant authorities, and to verify legal titles or to verify any material encumbrances or amendment which may not appear on the copies handed to us. We need to state that we are not legal professionals and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the properties in Group I. However, we have complied with the requirements as stated in Practice Note No. 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and relied solely on the copies of document and the copy of the PRC legal opinions provided by the management of the Company with regard to the legal title of the properties in Groups I and III. We are given to understand that the PRC legal opinions was prepared by a qualified PRC legal adviser, Jingtian & Gongcheng dated 14 November 2011. No responsibility or liability from our part is assumed in relation to those legal opinions.

In our report, we have assumed that the legally interested party in each of the properties in Group I has obtained all the approval and/or endorsement from the relevant authorities, and that there would have no legal impediment (especially from the regulators) for the legally interested party to continue its titles in the properties in Group I. Should this not be the case, it will affect our values in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTIES IN ACCORDANCE WITH VALUATION STANDARD 4 OF THE HKIS STANDARDS

We have conducted inspections to the exterior, and where possible, the interior of the properties in respect of which we have been provided with such information as we have requested for the purpose of this engagement. We have not inspected those parts of the properties which were covered, unexposed or inaccessible and such parts have been assumed to be in a reasonable condition. We cannot express an opinion about or advise upon the condition of the properties and our work product should not be taken as making any implied representation or statement about the condition of the properties. No structural survey, investigation or examination has been made, but in the course of our inspections, we did not note any serious defects in the properties inspected. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out to the utilities (if any) and we are unable to identify those utilities covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the areas of the properties, but have assumed that the areas shown on the documents and the official layout plans handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value the properties did not include an independent land survey to verify the legal boundaries of the properties. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of the properties that appeared on the documents handed to us. No responsibility from our part is assumed. The management of the Company or interested party in the properties should conduct their own legal boundaries due diligence work.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the properties, or has since been incorporated, and we are therefore unable to report that the properties are free from risk in this respect, and therefore we have not considered such factor in our valuations.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the properties. We have not carried out any investigation into past or present uses, either of the properties or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the properties from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the properties or any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported or affect our findings.

SOURCES OF INFORMATION AND ITS VERIFICATION IN ACCORDANCE WITH VALUATION STANDARD 5 OF THE HKIS STANDARDS

In the course of our work, we have been provided with copies of the documents regarding the properties, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our procedures to value did not require us to conduct any searches or inspect the original documents to verify the ownership or to verify any amendment which may not appear on the copies handed to us. We need to state we are not legal professional, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the management of the Company.

We have relied solely on the information provided by the management of the Company or its appointed personnel without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, occupation, lettings, rentals, site and floor areas and all other relevant matters.

The scope of valuations has been determined by reference to the property list provided by the management of the Company. All properties on the list have been included in our report. The management of the Company has confirmed to us that the Company has no property interests other than those specified on the list supplied to us and included in this report.

Our valuations have been made based only on the advice and information made available to us. While a limited scope of general inquiries had been made to the local property market practitioners, we are not in a position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibility or liability is assumed.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

When we adopted the work products from other professions, external data providers and the management of the Company or its appointed personnel in our works, the assumptions and caveats adopted by them in arriving at their figures also applied to this report. The procedures we have taken do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

We are unable to accept any responsibility for the information that has not been supplied to us by the management of the Company or its appointed personnel. Also, we have sought and received confirmation from the management of the Company or its appointed personnel that no material factors have been omitted from the information supplied. Our analysis and valuations are based upon full disclosure between us and the Company of material and latent facts that may affect our works.

We have had no reason to doubt the truth and accuracy of the information provided to us by the management of the Company or its appointed personnel. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Renminbi Yuan (“RMB”).

LIMITING CONDITIONS IN THIS SUMMARY REPORT

Our findings and conclusion of values of the properties in this summary report are valid only for the stated purpose and only for the Date of Valuation, and for the sole use of the named Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this summary report, and the valuers accept no responsibility whatsoever to any other person.

Our valuations have been made on the assumption that no unauthorised alteration, extension or addition has been made in the properties, and that the inspections and the use of this report do not purport to be a building survey of the properties. We have assumed that the properties are free of rot and inherent danger or unsuitable materials and techniques.

No responsibility is taken for changes in market conditions and local government policy and no obligation is assumed to revise this summary report to reflect events or conditions, which occur or make known to us subsequent to the date hereof.

Neither the whole nor any part of this summary report or any reference made hereto may be included in any published documents, prospectus or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this summary report in this Prospectus for the Company's shareholders' reference.

Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

The Company is required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our work product except to the extent any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

The attached summary of values and the valuation certificate are prepared in line with the requirements contained in Chapter 5 and Practice Note No. 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as the guidelines contained in both the IVS and HKIS Standards. The valuations have been undertaken by valuers (see End Notes), acting as external valuers, qualified for the purpose of the valuations.

We retain a copy of this summary report and the valuation report together with the data from which it was prepared, and these data and documents will, according to the Laws of Hong Kong, keep for a period of 6 years from the date of this report and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Company's authorisation and prior arrangement made with us. Moreover, we will add the Company's information into our client list for our future reference.

The analysis or valuations of the properties depend solely on the assumptions made in our report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported values significantly.

We hereby certify that the fee for this service is not contingent upon our conclusion of values and we have no significant interest in the properties, the Group or the values reported.

Our valuations are summarised below and the valuation certificate is attached.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited

Joseph Ho Chin Choi
B.Sc.PgD M.Sc.RPS(GP)
Managing Director

Elsa Ng Hung Mui
B.Sc. M.Sc. RPS(GP)
Director

Contributing valuer:

Leslie Wong Tak Chiu *B.Sc. BBA*

Notes:

1. *Mr. Joseph Ho Chin Choi has been conducting asset valuations and advisory work in Hong Kong, Macau, Taiwan, mainland China, the Philippines, Vietnam, Malaysia, Singapore, Thailand, Bangladesh, Japan, Australia, Kazakhstan, Madagascar, Scotland, Finland, Germany, Poland, Brazil, Argentina, Guyana, Canada and the United States of America for various purposes since 1988. He has more than 20 years of experience in valuing real properties in mainland China. He is a Fellow of The HKIS and a valuer on the List of Property Valuers for Undertaking valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by The HKIS.*
2. *Ms. Elsa Ng Hung Mui is a Registered Professional Surveyor who has been conducting valuation of real properties since 1994. She has rich experience in valuing properties in Hong Kong and mainland China. She is a Member of The HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by The HKIS.*
3. *Mr. Leslie Wong Tak Chiu is a graduate surveyor who has been involved in valuation of real estate properties both in Hong Kong and the PRC for more than 5 years. He obtained a Bachelor Degree in Estate Management and in Business Administration and involved in various assets valuations, mine valuation, toll road valuation and agriculture property assets valuation.*

SUMMARY OF VALUES

Group I — Properties held and occupied by the Group under various long-term title certificates in the PRC and valued on market value basis

Property	Amount of valuation in existing state as at 31 August 2011 <i>RMB</i>	Interest attributable to the Group	Amount of valuation in existing state attributable to the Group as at 31 August 2011 <i>RMB</i>
1. A factory complex located at No. 102 Renmin Dong Road Zhucheng City Weifang City Shandong Province The PRC 262200	20,700,000	100 per cent.	20,700,000
2. A factory complex located at Sun Jia Sha Ling Village Xinxing Town Zhucheng City Weifang City Shandong Province The PRC 262218	42,900,000	100 per cent.	42,900,000
3. A parcel of developing land located at the northern side of Wang Jia Sha Ling Village Xinxing Town Zhucheng City Weifang City Shandong Province The PRC 262218	7,200,000	100 per cent.	7,200,000

Property	Amount of valuation in existing state as at 31 August 2011 RMB	Interest attributable to the Group	Amount of valuation in existing state attributable to the Group as at 31 August 2011 RMB
4. A factory complex located at the western side of Community Section Ji Jia Tun Village No. 206 National Road Zhucheng Economic Development Zone Zhucheng City Weifang City Shandong Province The PRC 262200	43,100,000	100 per cent.	43,100,000
5. Room 602 on Level 6 of Block 1 and Room 606 on Level 6 of Block 3 Commercial/Residential Building Yan Jie Dongpo Sub-district Zhucheng City Weifang City Shandong Province The PRC 262200	660,000	100 per cent.	660,000
		Sub-total:	<u>RMB114,560,000</u>

Group II — Property occupied by the Group under an operating lease in Hong Kong

Property	Amount of valuation in existing state attributable to the Group as at 31 August 2011
6. Units 1108 and 1109 11th Floor Tower II Enterprise Square No. 9 Sheung Yuet Road Kowloon Bay Kowloon Hong Kong	No Commercial Value

Sub-total:	Nil

Group III — Properties occupied by the Group under various operating leases in the PRC

Property	Amount of valuation in existing state attributable to the Group as at 31 August 2011
7. Unit C Level 8 Merchants Bank Tower Central Hong Kong Road Qingdao City Shandong Province The PRC 266071	No Commercial Value
8. Two workshop buildings located at the Middle Section of Sangong Road Huanghua Dian Village Huanghua Town Zhucheng City Weifang City Shandong Province The PRC 262229	No Commercial Value
9. A 3-storey house located at the western side of Pingri Road Huanghua Town Zhucheng City Weifang City Shandong Province The PRC 262229	No Commercial Value

	Sub-total: _____ Nil
	Grand total: <u><u>RMB114,560,000</u></u>

VALUATION CERTIFICATE

Group I — Properties held and occupied by the Group under various long-term title certificates in the PRC and valued on market value basis

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011 <i>RMB</i>
1. A factory complex located at No. 102 Renmin Dong Road Zhucheng City Weifang City Shandong Province The PRC 262200	<p>The property comprises a parcel of land having a site area of approximately 16,823.53 sq. m. with 8 various major buildings and structures erected thereon.</p> <p>The major buildings and structures including workshops, ancillary offices, staff quarters, warehouses and other supporting facilities and are of single to 4-storey in height and having a total gross floor area of approximately 15,084.48 sq. m. which were completed in between 1991 and 2003.</p> <p>The property is subject to a right to use the land for a term till 5 December 2050 for industrial usage.</p>	As inspected and confirmed by the management of the Company, the property is occupied by the Group for manufacturing, storage, ancillary office, staff quarters and other supporting purposes.	20,700,000 (100 per cent. interest)

Notes:

1. The right to possess the land is held by the State and the right to use the land was granted by the State and transferred to 諸城裕泰針織有限公司 (translated as Zhucheng Eternal Knitting Company Limited and hereinafter referred to as “Zhucheng Eternal Knitting”), a wholly-owned subsidiary of the Company, via the following ways:
 - (i) according to a Purchase Agreement of Land and Factory made between Industrial and Commercial Bank of China (Zhucheng City Branch) and Grand Concord Trading Limited (hereinafter referred as “Grand Concord (HK)”), which is an indirect wholly-owned subsidiary of the Company, dated 10 October 2000, a parcel of land having a site area of approximately 17,865 sq. m. with various buildings and structures erected thereon having a total gross floor area of 12,000 sq. m. were contracted to be transferred to Grand Concord (HK). It was also agreed that the application of the state-owned Land Use Rights Certificate would be processed upon the set up of Zhucheng Eternal Knitting; and
 - (ii) according to a State-owned Land Use Rights Certificate known as Zhu Guo Yong (2001) Zi Di (20)001 Hao (諸國用(2001)字第(20)001號) issued by the Planning and Land Bureau of Zhucheng City on 22 December 2000, the legally interested party in a parcel of land having a site area of approximately 16,823.53 sq. m. is Zhucheng Eternal Knitting for a term till 5 December 2050 for industrial usage.
2. Pursuant to 3 various Building Ownership Certificates known as Zhu Cheng Shi Fang Quan Zheng Cheng Qu Gong Zi Di 03534 to 03536 Hao (諸城市房權證城區公字第03534至03536號) issued by the Building Administration Bureau of Zhucheng City and all dated 5 March 2004, the legally interested party in 8 various buildings and structures having a total gross floor area of approximately 15,084.48 sq. m. is Zhucheng Eternal Knitting.

A detailed breakdown of gross floor area of each of the buildings and structures covered by the certificates is as follows:

Buildings and structures (no. of storey)	Gross Floor Area (sq.m.)
Warehouse (single storey)	383.53
Car Port (single storey)	81.20
Workshop (single storey)	3,657.50
Guard Room (single storey)	39.60
Workshop with ancillary office (4-storey)	6,661.50
Warehouse (2-storey)	753.00
Workshop (2-storey)	1,143.10
Staff Quarters/Canteen (3-storey)	2,365.05
	<hr/>
Total:	15,084.48

3. Pursuant to a 最高額抵押合同 (編號: 2009年小抵字第017號) (translated as Mortgage Contract with Maximum Amount (No.: 2009 Nian Xiao Di Zi Di 017 Hao)), the property is subject to a mortgage in favour of Industrial and Commercial Bank of China Limited (Zhucheng Branch) (hereinafter referred to as "ICBC").
4. Pursuant to a copy of an 企業法人營業執照 (translated as Enterprise Legal Person Business Licence) dated 29 June 2011, Zhucheng Eternal Knitting is a limited liability company with an operation period commencing from 24 October 2000 to 23 October 2050.
5. According to the legal opinion prepared by the Company's PRC legal adviser, Jingtian & Gongcheng, the following opinions are noted:
 - (i) Zhucheng Eternal Knitting has obtained the land use rights and building ownership rights of the property legally;
 - (ii) until the expiry date stated in the State-owned Land Use Rights Certificate, Zhucheng Eternal Knitting is the legally interested party in the property;
 - (iii) except for the restriction stated in (iv) below, Zhucheng Eternal Knitting has the right to occupy, use, lease, transfer, mortgage and any other legal way to handle the property; and
 - (iv) the property is subject to a mortgage in favour of ICBC. According to the 最高額抵押合同 Mortgage Contract with Maximum Amount, Zhucheng Eternal Knitting is not allowed to lease, sell, transfer, by way of gift or any other way to handle the property without a written consent from ICBC during the mortgage period.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011 <i>RMB</i>
2. A factory complex located at Sun Jia Sha Ling Village Xinxing Town Zhucheng City Weifang City Shandong Province The PRC 262218	<p>The property comprises a parcel of land having a site area of approximately 56,668 sq.m. with 11 various major buildings and structures erected thereon.</p> <p>The major buildings and structures including workshops, ancillary offices, warehouses, a canteen and other supporting facilities and are of single to 2-storey in height and having a total gross floor area of approximately 24,280 sq. m. The buildings and structures were completed in between 2004 and 2007.</p> <p>The property is subject to a right to use the land for a term till 23 September 2055 for industrial usage.</p>	As inspected and confirmed by the management of the Company, the property is occupied by the Group for manufacturing, storage, ancillary office and other supporting purposes.	<p>42,900,000</p> <p>(100 per cent. interest)</p> <p>(see Notes 3 and 6)</p>

Notes:

1. The right to possess the land is held by the State and the right to use the land was granted by the State to 諸城裕泰針織有限公司 (translated as Zhucheng Eternal Knitting Company Limited and hereinafter referred to as “Zhucheng Eternal Knitting”), a wholly-owned subsidiary of the Company, via the following ways:
 - (i) according to a Land Acquisition Agreement made between the People’s Government of Xinxing Town and Zhucheng Eternal Knitting dated 1 March 2004, a parcel of land having a site area of approximately 101.11 Chinese Mu (67,407 sq. m.) was contracted to be granted to Zhucheng Eternal Knitting; and
 - (ii) according to a State-owned Land Use Rights Certificate known as Zhu Guo Yong (2005) Di 16027 Hao (諸國用(2005)第16027號) issued by the Land Resources Bureau of Zhucheng City on 8 November 2005, the legally interested party in a parcel of land having a site area of approximately 56,668 sq. m. is Zhucheng Eternal Knitting for a term till 23 September 2055 for industrial usage.
2. Pursuant to 4 various Building Ownership Certificates known as Zhu Cheng Shi Fang Quan Zheng Xin Xing Zhen Si Zi Di 09818, 10262, 10328 and 10329 Hao (諸城市房權證辛興鎮私字第09818, 10262, 10328及10329號) issued by the Building Administration Bureau of Zhucheng City and dated 11 February 2006, 7 December 2007 and 27 February 2008, respectively, the legally interested party in 10 various buildings and structures having a total gross floor area of approximately 24,108.17 sq. m. is Zhucheng Eternal Knitting.

A detailed breakdown of gross floor area of each of the buildings and structures covered by the certificates is as follows:

Buildings and structures (no. of storey)	Gross Floor Area (sq.m.)
Guard Room (single storey)	21.60
Pump House (single storey)	16.50
Workshop (2-storey)	6,200.33
Workshop (2-storey)	9,968.47
Workshop (single storey)	7,060.31
Pump Room (single storey)	153.09
Boiler Room (single storey)	342.25
Water Treatment Room (single storey)	236.16
Guard Room (single storey)	19.76
Switch Room (single storey)	89.70
	<hr/>
Total:	<u>24,108.17</u>

3. According to our on-site inspection and confirmed by the management of the Company, a temporary canteen without any form of title certificate and having a gross floor area of approximately 171.83 sq. m. was erected on the land. In our valuation, we have taken such canteen into account and on the assumption that it is able to be sold as part of the property without further encumbrances/premium being required. For reference purpose, the depreciated replacement cost of the said canteen (excluding the land), as at the Date of Valuation, would be in the region of RMB200,000, which should be deducted from the amount of valuation if the canteen is unable to be sold as an unique interest of the property in the open market.
4. Pursuant to three various 最高額抵押合同 (編號: 2009年小抵字第031·007號及085號) (translated as Mortgage Contracts with Maximum Amount (Nos.: 2009 Nian Xiao Di Zi Di 031, 007 and 085 Hao)), portions of the property are subject to mortgages all in favour of Industrial and Commercial Bank of China Limited (Zhucheng Branch) (hereinafter referred to as "ICBC").
5. Pursuant to a copy of an 企業法人營業執照 (translated as Enterprise Legal Person Business Licence) dated 29 June 2011, Zhucheng Eternal Knitting is a limited liability company with an operation period commencing from 24 October 2000 to 23 October 2050.
6. The property is subject to a tenancy agreement dated 1 January 2010 and made between Zhucheng Eternal Knitting and 諸城裕民針織有限公司 (translated as Zhucheng Yumin Knitting Company Limited hereinafter referred to as "Zhucheng Yumin Knitting"), which is a wholly-owned subsidiary of the Company. According to the tenancy agreement and as confirmed by the management of the Company, the property is rented to Zhucheng Yumin Knitting for a term of 3 years from 1 January 2010 to 31 December 2012 at an annual rental of RMB720,000. According to the HKIS Standards, any property occupied by a company under an inter-company leasing arrangement within a group should be valued as an owner-occupied property. Therefore, in our valuation, we have considered this property as being owner-occupied.
7. According to the legal opinion prepared by the Company's PRC legal adviser, Jingtian & Gongcheng, the following opinions are noted:
 - (i) Zhucheng Eternal Knitting has obtained the land use rights of the land mentioned in Note 1 and building ownership rights of the buildings as mentioned in Note 2 legally;
 - (ii) until the expiry date stated in the State-owned Land Use Rights Certificate, Zhucheng Eternal Knitting is the legally interested party in the land and buildings as mentioned in Notes 1 and 2;
 - (iii) except the restriction as stated in (iv) below, Zhucheng Eternal Knitting has the right to occupy, use, lease, transfer, mortgage and any other legal way to handle the land and buildings as mentioned in Notes 1 and 2;
 - (iv) portions of the property are subject to three various mortgages all in favour of ICBC as mentioned in Note 4. According to the 最高額抵押合同 Mortgage Contracts with Maximum Amount, Zhucheng Eternal Knitting is not allowed to lease, sell, transfer, by way of gift or any other way to handle such portions of the property without the consent from ICBC during the mortgage period;

- (v) Zhucheng Eternal Knitting has obtained the valid State-owned Land Use Rights Certificate and Building Ownership Certificate and hence has the right to lease the property to Zhucheng Yumin Knitting legally;
- (vi) up to the date of the legal opinion, both parties have enforced the tenancy agreement in normal status and have not breached the terms of the tenancy agreement. There is no foreseeable reason which may lead to early termination or cancellation of the tenancy agreement; and
- (vii) the tenancy agreement has not yet been registered. Under the PRC law, the tenancy agreement should be registered in the real estate leasing management authority. Therefore, both parties should register the tenancy agreement in the relevant authority. Otherwise, the authority may order the registration to be taken and to impose penalty.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011 <i>RMB</i>
3. A parcel of developing land located at the northern side of Wang Jia Sha Ling Village Xinxing Town Zhucheng City Weifang City Shandong Province The PRC 262218	<p>The property comprises a parcel of land having a site area of approximately 30,798 sq. m. with 2 various buildings under construction for Phase I of the development thereon.</p> <p>We were given to understand that the property under construction (the “CIP”) will have a planned gross floor area of approximately 5,621 sq. m. upon completion. The construction works of the CIP are scheduled to be completed by the end of 2011.</p> <p>The property is subject to a right to use the land for a term till 10 May 2060 for industrial usage.</p>	<p>As inspected and confirmed by the management of the Company, the property is under construction.</p> <p>Due to the nature of construction works in progress, we are unable to conduct any due diligence on the current occupation status of the property.</p>	<p>7,200,000</p> <p>(100 per cent. interest)</p> <p>(see Note 4)</p>

Notes:

1. The right to possess the land is held by the State and the right to use the land was granted by the State to 諸城裕民針織有限公司 (translated as Zhucheng Yumin Knitting Company Limited and hereinafter referred to as “Zhucheng Yumin Knitting”), a wholly-owned subsidiary of the Company, via the following ways:
 - (i) according to an Agreement made between the People’s Government of Xinxing Town and Zhucheng Yumin Knitting dated 9 October 2005, a parcel of land having a site area of approximately 55.15 Chinese Mu (36,767 sq. m.) was contracted to be granted to Zhucheng Yumin Knitting; and
 - (ii) according to a State-owned Land Use Rights Certificate known as Zhu Guo Yong (2010) Di 16004 Hao (諸國用 (2010) 第16004號) issued by the Land Resources Bureau of Zhucheng City and dated 10 June 2010, the legally interested party in a parcel of land having a site area of approximately 30,798 sq. m. is Zhucheng Yumin Knitting for a term till 10 May 2060 for industrial usage.
2. Pursuant to a Construction Planning Permit known as Jian Zi Di 370782201100367 Hao (建字第 370782201100367號) issued by the Town Planning Bureau of Zhucheng City and dated 11 August 2011, Zhucheng Yumin Knitting is permitted to build various buildings having an estimated total gross floor area of approximately 5,621 sq. m. upon completion.
3. Pursuant to a Permit to Commence Construction known as XX2011-001 issued by Housing and Township Construction Bureau of Zhucheng City and dated 15 August 2011, Zhucheng Yumin Knitting is permitted commence construction works of various buildings having an estimated total gross floor area approximately 5,621 sq. m. upon completion.
4. As advised by the management of the Company, the development cost incurred for the CIP was approximately RMB1,800,000 and the estimated remaining cost to complete the CIP was approximately RMB4,400,000 as at the Date of Valuation. In our valuation, we have assumed that the property will be developed and completed in accordance with the Group’s latest development proposals provided to us and we have taken into account the cost incurred for the CIP as at the Date of Valuation.
5. Pursuant to a 最高額抵押合同 (編號: 2010年小抵字第120號) (translated as Mortgage Contract with Maximum Amount (No.: 2010 Nian Xiao Di Zi Di 120 Hao)), the land of the property is subject to a mortgage in favour of Industrial and Commercial Bank of China Limited (Zhucheng Branch) (hereinafter referred to as “ICBC”).

6. Pursuant to a copy of an 企業法人營業執照 (translated as Enterprise Legal Person Business Licence) dated 1 December 2008, Zhucheng Yumin Knitting is a limited liability company with an operation period commencing from 22 November 2004 to 21 November 2054.
7. According to the legal opinion prepared by the Company's PRC legal adviser, Jingtian & Gongcheng, the following opinions are noted:
 - (i) Zhucheng Yumin Knitting has obtained the land use rights of the property legally;
 - (ii) until the expiry date stated in the State-owned Land Use Rights Certificate, Zhucheng Yumin Knitting is the legally interested party in the land of the property;
 - (iii) except the restriction stated in (iv) below, Zhucheng Yumin Knitting has the right to occupy, use, lease, transfer, mortgage and any other legal way to handle the land use rights of the property;
 - (iv) the land of the property is subject to a mortgage in favour of ICBC as mentioned in Note 5. According to the 最高額抵押合同 Mortgage Contract with Maximum Amount, Zhucheng Yumin Knitting is not allowed to lease, sell, transfer, by way of gift or any other way to handle such land without a written consent from ICBC during the mortgage period; and
 - (v) Zhucheng Yumin Knitting has obtained the Construction Planning Permit and the Permit to Commence Construction. Zhucheng Yumin Knitting has the rights to commence construction work on the location stated in the permits.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011 RMB
4. A factory complex located at the western side of Community Section Ji Jia Tun Village No. 206 National Road Zhucheng Economic Development Zone Zhucheng City Weifang City Shandong Province The PRC 262200	<p>The property comprises a parcel of land having a site area of approximately 32,689 sq. m. with 3 various major buildings and structures constructed thereon.</p> <p>The major buildings and structures including a workshop, a staff quarters and a supporting facility room and are of single to 5-storey in height and having a total gross floor area of approximately 13,201.54 sq.m. which were completed in about 2010 (the “Completed Buildings”).</p> <p>In addition to the Completed Buildings, there is a 4-storey workshop building under construction (the “CIP”). We were given to understand that the planned gross floor area of the CIP will be approximately 16,643.25 sq. m. upon completion. The construction work of the CIP is scheduled to be completed by the end of 2011.</p> <p>There are 14 various temporary structures having a total gross floor area of approximately 2,184 sq.m. erected on the site for temporary accommodation of the construction workers for the CIP. As advised by the Company, these structures will be demolished upon the completion of the CIP and its related works.</p> <p>The property is subject to a right to use the land for a term till 27 May 2058 for industrial usage.</p>	As inspected and confirmed by the management of the Company, part of the property is occupied by the Group for manufacturing, storage, ancillary office, staff quarters and other supporting purpose, and part of the property is under construction.	43,100,000 (100 per cent. interest) (see Note 5)

Notes:

1. The right to possess the land is held by the State and the right to use the land was granted by the State to 山東廣豪服飾有限公司 (translated as Shandong Grand Concord Garment Company Limited and hereinafter referred to as “Shandong Grand Concord”), a wholly-owned subsidiary of the Company, via the following ways:
 - (i) according to a Letter of Tender Confirmation for the State-owned Land Use Rights issued by the State-owned Asset Management of Zhucheng City and the Land Reserve Centre of Zhucheng City and dated 28 December 2007, Shandong Grand Concord is the successful tenderer of a parcel of land having a site area of approximately 32,689 sq. m. at a consideration of RMB4,854,317 for industrial usage; and
 - (ii) according to a State-owned Land Use Rights Certificate known as Zhu Guo Yong (2009) Di 03032 Hao (諸國用(2009)第03032號) issued by the Land Resources Bureau of Zhucheng City and dated 30 July 2009, the legally interested party in a parcel of land having a site area of approximately 32,689 sq. m. is Shandong Grand Concord for a term till 27 May 2058 for industrial usage.

2. Pursuant to a Building Ownership Certificate known as Lu Wei Fang Quan Zheng Zhu Cheng Shi Zi Di 006081 Hao (魯濰房權證諸城市字第006081號) issued by the Building Administration Bureau of Zhucheng City and dated 5 March 2010, the legally interested party in 3 various buildings and structures having a total gross floor area of approximately 13,201.54 sq. m. is Shandong Grand Concord.

A detailed breakdown of gross floor area of each of the buildings and structures covered by the certificate is as follows:

Buildings and structures (no. of storey)	Gross Floor Area (sq.m.)
Staff Quarters/Canteen (5-storey)	4,758.00
Workshop (4-storey)	8,409.88
Guard Room (single storey)	33.66
Total:	<u>13,201.54</u>

3. Pursuant to three various Construction Planning Permits known as Jian Zi Di 370782201000058 to 370782201000060 Hao (建字第370782201000058-370782201000060號) issued by the Town Planning Bureau of Zhucheng City and all dated 4 February 2010, Shandong Grand Concord is permitted to build various buildings having an estimated total gross floor area of approximately 29,811.13 sq. m. upon completion.
4. Pursuant to a Permit to Commence Construction known as 2010-025 Hao issued by the City Construction Bureau of Zhucheng City and dated 20 February 2010, Shandong Grand Concord is permitted to commence construction works of various buildings having an estimated total gross floor area of approximately 29,811.13 sq. m. upon completion.
5. As advised by the management of the Company, the development cost incurred for the CIP was approximately RMB15,000,000 and the estimated remaining cost to complete the CIP was approximately RMB500,000 as at the Date of Valuation. In our valuation, we have assumed the property will be developed and completed in accordance with the Group's latest development proposals provided to us and we have taken into account the costs incurred for the CIP as at the Date of Valuation.
6. Pursuant to two various 最高額抵押合同 (編號: 2009年小抵字第087號及2010年小抵字030號) (translated as Mortgage Contracts with Maximum Amount (Nos.: 2009 Nian Xiao Di Zi Di 087 Hao and 2010 Nian Xiao Di Zi Di 030 Hao)), the land and the Completed Buildings are subject to mortgages both in favour of Industrial and Commercial Bank of China Limited (Zhucheng Branch) (hereinafter referred to as "ICBC").
7. Pursuant to a copy of an 企業法人營業執照, (translated as Enterprise Legal Person Business Licence) dated 22 July 2010, Shandong Grand Concord is a limited liability company with an operation period commencing from 9 July 2007 to 8 July 2057.
8. According to the legal opinion prepared by the Company's PRC legal adviser, Jingtian & Gongcheng, the following opinions are noted:
- (i) Shandong Grand Concord has obtained the land use rights of the land mentioned in Note 1 and building ownership rights of the buildings mentioned in Note 2 legally;
 - (ii) until the expiry date stated in the State-owned Land Use Rights Certificate, Shandong Grand Concord is the legally interested party in the land and buildings mentioned in Notes 1 and 2;
 - (iii) except the restriction stated in (iv) below, Shandong Grand Concord has the right to occupy, use, lease, transfer, mortgage and any other legal way to handle the land and buildings mentioned in Notes 1 and 2;
 - (iv) land and buildings mentioned in Notes 1 and 2 are subject to two various mortgages both in favour of ICBC as mentioned in Note 6. According to the 最高額抵押合同 Mortgage Contracts with Maximum Amount, Shandong Grand Concord is not allowed to lease, sell, transfer, by way of gift or any other way to handle the property without the consent of ICBC during the mortgage period; and
 - (v) Shandong Grand Concord has obtained the Construction Planning Permits and the Permit to Commence Construction. Shandong Grand Concord has the rights to commence construction work on the location stated in the permits.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011 RMB
5. Room 602 on Level 6 of Block 1 and Room 606 on Level 6 of Block 3 Commercial/ Residential Building Yan Jie Dongpo Sub-district Zhucheng City Weifang City Shandong Province The PRC 262200	<p>The property comprises two residential units on Level 6 of a 6-storey composite building which was completed in about 2004.</p> <p>The property has a total gross floor area of approximately 173.97 sq. m.</p> <p>The land upon which the property is situated on is subject to a right to use the land for an unspecified term for residential usage.</p>	As inspected and confirmed by the management of the Company, the property is occupied by the Group for staff quarters purpose.	660,000 (100 per cent. interest)

Notes:

1. Pursuant to 2 various Building Ownership Certificates known as Zhu Cheng Shi Fang Quan Zheng Cheng Qu Shang Pin Zi Di 16781 and 16821 Hao (諸城市房權證城區商品字第16781及16821號) issued by the Real Estate Management Bureau of Zhucheng City, dated 3 August 2006 and 4 August 2006 respectively, the legally interested party in the property is 諸城裕民針織有限公司 (translated as Zhucheng Yumin Knitting Company Limited and hereinafter referred to as “Zhucheng Yumin Knitting”), a wholly-owned subsidiary of the Company.
2. Pursuant to a copy of an 企業法人營業執照, (translated as Enterprise Legal Person Business Licence) dated 1 December 2008, Zhucheng Yumin Kitting is a limited liability company with an operation period commencing from 22 November 2004 to 21 November 2054.
3. According to the legal opinion prepared by the Company’s PRC legal adviser, Jingtian & Gongcheng, the following opinions are noted:
 - (i) Zhucheng Yumin Knitting has obtained the building ownership rights of the property legally;
 - (ii) Zhucheng Yumin Knitting is the legally interested party in the property;
 - (iii) Zhucheng Yumin Knitting has the right to occupy, use, sell, lease, mortgage and any other legal way to handle the property; and
 - (iv) the property is not subject to any guarantee, mortgage, seizure or any other encumbrances.

Group II — Property occupied by the Group under an operating lease in Hong Kong

Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011
6. Units 1108 and 1109 11th Floor Tower II Enterprise Square No. 9 Sheung Yuet Road Kowloon Bay Kowloon Hong Kong	<p>The property comprises two office units on the 11th Floor of a 21-storey office building situated on a tri-tower development, including 5 levels of podium, which was completed in about 1992.</p> <p>According to the information made available to us, the property has a total saleable area of approximately 2,842 sq. ft. (264.03 sq.m.).</p> <p>The property is rented to the Group for a term of 3 years from 26 July 2010 to 25 July 2013 at a monthly rental of HK\$38,551 exclusive of management fee, Rates, Government Rent and other charges.</p> <p>The property is occupied by the Group for office purpose.</p>	No Commercial Value

Notes:

1. The lessor of the property is Sino Century Investment Limited, an independent third party to the Group.
2. The lessee of the property is Grand Concord Trading Limited, an indirect wholly-owned subsidiary of the Company.

Group III — Properties occupied by the Group under various operating leases in the PRC

Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011
7. Unit C Level 8 Merchants Bank Tower Central Hong Kong Road Qingdao City Shandong Province The PRC 266071	<p>The property comprises an office unit on Level 8 of a 28-storey office building which was completed in about 2002.</p> <p>According to the information made available to us, the property has a floor area of approximately 95.14 sq.m.</p> <p>The property is rented to the Group for a term of 1 year from 31 March 2011 to 31 March 2012 at an annual rental of RMB93,450 exclusive of management fee and other outgoings.</p> <p>The property is occupied by the Group for office purpose.</p>	No Commercial Value

Notes:

1. The lessor of the property is 許健平 (translated as Xu Jian Ping), an independent third party to the Group.
2. The lessee of the property is 諸城裕民針織有限公司 (translated as Zhucheng Yumin Knitting Company Limited and hereinafter referred as “Zhucheng Yumin Knitting”), a wholly-owned subsidiary of the Company.
3. According to the legal opinion prepared by the Company’s PRC legal adviser, Jingtian & Gongcheng, the following opinions are noted:
 - (i) Xu Jian Ping has not yet obtained a valid building ownership certificate of the property;
 - (ii) the tenancy agreement made between Xu Jian Ping and Zhucheng Yumin Knitting has not yet been registered;
 - (iii) according to a commitment letter dated 16 March 2011 and issued by Zhucheng Yumin Knitting, Zhucheng Yumin Knitting agreed not to renew the tenancy agreement upon expiry. Zhucheng Yumin Knitting confirmed that the property is used as an office for liaison purpose only and not for the operation of Zhucheng Yumin Knitting. If the tenancy agreement is terminated due to the breach of relevant building lease regulation, Zhucheng Yumin Knitting will rent a new office immediately, so that there will have no negative impact on the operation of Zhucheng Yumin Knitting;
 - (iv) up to the date of the legal opinion, both parties have enforced the tenancy agreement in normal status and have not in breach of the tenancy agreement. There is no foreseeable reason which may lead to early termination or cancellation of the tenancy agreement;
 - (v) under the PRC law, the tenancy agreement should be registered in the real estate leasing management authority. Therefore, both parties should register the tenancy agreement in the bureau. Otherwise, the authority may order the registration to be taken and to impose penalty; and
 - (vi) there is no major adverse impact on the listing exercise arising from the tenancy agreement.

Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011
8. Two workshop buildings located at the Middle Section of Sangong Road Huanghua Dian Village Huanghua Town Zhucheng City Weifang City Shandong Province The PRC 262229	<p>The property comprises a single storey workshop building having a gross floor area of approximately 600 sq. m. and a 2-storey workshop building having a gross floor area of approximately 1,000 sq. m., and both were completed in about 2010.</p> <p>The property is subject to two various tenancies and rented to the Group for a term of 10 years with the latest expiring on 30 December 2020 at a total annual rental of RMB88,000.</p> <p>The property is occupied by the Group for industrial purpose.</p>	No Commercial Value

Notes:

1. The lessor of the property is 諸城市華貿市場發展服務有限公司 (translated as Zhuzheng City Huamao Market Development Services Ltd), an independent third party to the Group.
2. The lessee of the property is 山東廣豪服飾有限公司 (translated as Shandong Grand Concord Garment Company Limited and hereinafter referred as “Shandong Grand Concord”), a wholly-owned subsidiary of the Company.
3. According to the legal opinion prepared by the Company’s PRC legal adviser, the following opinions are noted:
 - (i) as advised by Shandong Grand Concord, Zhuzheng City Huamao Market Development Services Ltd has not yet obtained the building ownership certificate of the property;
 - (ii) according to a commitment letter dated 16 March 2011 and issued by Shandong Grand Concord, Shandong Grand Concord agreed not to renew the tenancy agreement upon its expiry;
 - (iii) Shandong Grand Concord confirmed that the occupation of the property is not irreplaceable. There will have no negative impact on the operation of Shandong Grand Concord if the tenancy agreement is not renewed; and
 - (iv) there is no major adverse impact on the listing exercise even though building ownership certificate was not provided by the lessor of the property.

Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 August 2011
9. A 3-storey house located at the western side of Pingri Road Huanghua Town Zhucheng City Weifang City Shandong Province The PRC 262229	<p>The property comprises a 3-storey building having a gross floor area of approximately 455 sq. m. which was completed in about 2010.</p> <p>The property is subject to a tenancy and rented to the Group for a term of 10 years from 20 July 2010 to 20 July 2020 at an annual rental of RMB30,000 exclusive of management fee and other outgoings.</p> <p>The property is occupied by the Group for industrial purpose.</p>	No Commercial Value

Notes:

1. The lessor of the property is 張慶偉 (translated as Zhang Qing Wei), an independent third party to the Group.
2. The lessee of the property is 山東廣豪服飾有限公司 (translated as Shandong Grand Concord Garment Company Limited and hereinafter referred as "Shandong Grand Concord"), a wholly-owned subsidiary of the Company.
3. According to the legal opinion prepared by the Company's PRC legal adviser, the following opinions are noted:
 - (i) as advised by Shandong Grand Concord, Zhang Qing Wei has not yet obtained the building ownership certificate of the property;
 - (ii) according to a commitment letter dated 16 March 2011 and issued by Shandong Grand Concord, Shandong Grand Concord agreed not to renew the tenancy agreement upon its expiry;
 - (iii) Shandong Grand Concord confirmed that the occupation of the property is not irreplaceable. There will have no negative impact on the operation of Shandong Grand Concord if the tenancy agreement is not renewed; and
 - (iv) there is no major adverse impact on the listing exercise even though building ownership certificate was not provided by the lessor of the property.