

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 October 2014 of the properties interests held by the Group.



利駿行測量師有限公司

LCH (Asia-Pacific) Surveyors Limited

PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUERS
BUSINESS & FINANCIAL ASSETS VALUERS

The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the International Valuation Standards 2013 (“IVS”) and published by the International Valuation Standards Council which followed by the HKIS Valuation Standards 2012 Edition (the “HKIS Standards”) and published by the Hong Kong Institute of Surveyors (the “HKIS”). The standards entitle the valuer 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. Translations of terms in English or in Chinese are for reader’s identification purpose only and have no legal status or implication in this report. This report was 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 and conclusion presented below are based on the documents and facts known to the valuer at the Latest Practicable Date. If additional documents and facts are made available, the valuer reserves the right to amend this report and its conclusions.

17th Floor
Champion Building
287–291 Des Voeux Road Central
Hong Kong

31 December 2014

The Directors
King’s Flair International (Holdings) Limited
12th Floor, Yardley Commercial Building
No.3 Connaught Road West
Hong Kong

Dear Sirs,

In accordance with the instructions given by the present management of King’s Flair International (Holdings) Limited (hereinafter referred to as the “Instructing Party”) to us to conduct a valuation of certain *real properties* (same as the word *properties* in this report) in which King’s Flair International (Holdings) Limited (hereinafter referred to as the “Company”) and its subsidiaries (collectively, together with the Company hereinafter referred to as the “Group”)

have interests in Hong Kong and in the mainland of 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 and occupied by the Group in Hong Kong and in the PRC, we confirm that we have conducted physical inspections, made relevant enquiries and obtained such further information as we consider necessary to support our findings and our opinion of values of the real properties of the Group as at 31 October 2014 (hereinafter referred to as the "Valuation Date") for the Instructing Party's internal management reference purpose.

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

At the request of the Instructing Party, we prepared this summary report (including this letter, summary of values and the 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 PROPERTIES IN GROUPS I AND II

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 opinion of values of the properties on the market value basis.

The term "Market Value" is defined by the IVS and the HKIS Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Unless otherwise stated, our valuations of the properties have been made on the assumptions, that, as at the Valuation Date:

1. the legally interested party in each of the properties has absolute title to its relevant property interests;
2. 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 premiums payable have already been fully paid;

3. the legally interested party in each of the properties sells its relevant property interest in the market in its existing states 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;
4. 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) in the market; and
5. the properties can be freely disposed and transferred free of all encumbrances at the Valuation Date for their existing uses 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 valuations.

Approach to Value

There are three generally accepted approaches in arriving at the market value of a property on an absolute title basis i.e. free to assign, transfer, let and mortgage, namely the sales comparison approach (or known as the market approach), the cost approach and the income approach.

Properties in Group I

In valuing the properties in Group I, we have adopted the comparable sales method of the market approach on the assumption that the properties were sold with the benefit of vacant possession at the Valuation Date. The comparable sales method considers the sales, listing or offerings of similar or substitute properties and related market data to establish a value estimate by processes involving comparison. The underlying assumption of this approach is that an investor will pay no more for a property than he or she would have to pay for a similar property of comparable utility.

In valuing Property No. 3 in Group I which is located in the New Territories of Hong Kong in which the Government Lease had already expired before 30 June 1997, we have taken into account Section 6 of the New Territories Leases (Extension) Ordinance 1988 (Chapter 150 of the Laws of Hong Kong). According to the above ordinance, the lease of the property had already been extended without premium until 30 June 2047, and that an annual rent at three per cent. of the rateable value of the property has been charged from the date of extension.

Property in Group II

In valuing the property in Group II, having considered the general and inherent characteristics of the property, we have adopted the depreciated replacement cost approach which is an application of the cost approach in valuing specialised properties like this property. The use of this approach requires an estimate of the market value of the land use rights 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

taken into account of the site formation cost and those public utilities connection charges to the property. The value of the land use rights of this property has been determined from market-based evidences by analysing similar sales or offerings of comparable properties.

The valuation of this property is on the assumption that the property is subject to the test of adequate potential profitability of the business having due regard to the values 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 Valuation Date, 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 Valuation Date, the work having commenced at the appropriate time.

We need to state that our opinion of value of the property in Group II is not necessarily intended to represent the amount that might be realised from disposition of land use rights or various building(s) of the property on piecemeal basis in the open market.

We have not carried out a valuation on a redevelopment basis and the study of possible alternative development options and the related economics do not come within the scope of our work.

REPORTING OF RENTED PROPERTY INTERESTS IN GROUPS III AND IV

Properties in Groups III and IV are subject to various leasehold arrangements, and we have assigned 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 THE VALUES REPORTED

For the sake of valuation, 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 right to revise our summary 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 affecting a sale for each property in Groups I and II. Unless otherwise stated, it is assumed that the properties in Groups I and II are free from all encumbrances, restrictions, and outgoings of an onerous nature which could affect their values.

In our valuations for properties in Groups I and II, we have assumed that the properties 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 from our part is assumed.

As at the Latest Practicable Date of this prospectus, we are unable to identify any adverse news against the properties which may affect the reported findings or 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 Valuation Date, we reserve the right to adjust the findings or values reported herein.

ESTABLISHMENT OF TITLES

Due to the purpose of this engagement and the market value basis of valuation, the Instructing Party or the appointed personnel of the Company provided us the necessary documents to support that the legally interested party in each of the properties has free and uninterrupted rights to assign, to mortgage or to let the properties at its existing use (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. Our procedures to value, as agreed with the Instructing Party, 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 Instructing Party that this should be the responsibility of the legal advisor to the Instructing Party. 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 property in Group II and copies of tenancy agreement of the properties in Groups III and IV. For the properties in Groups I and III, 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 properties valued in Groups I and II. Any responsibility for our misinterpretation of the documents cannot be accepted.

The land registration system of China forbids us to search the original documents of the property in Group II 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 property in Group II. 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 Instructing Party with regard to the legal titles of the property in Group II. We are given to understand that the PRC legal opinions were prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所) dated 31 December 2014. No responsibility or liability from our part is assumed in relation to those legal opinions.

According to the legal opinions, the tenancy agreements in Group IV not yet registered in the relevant departments, this may incur demand from the relevant departments to register such tenancy agreements within a specified time line.

In our report, we have assumed that the legally interested party in the property in Group II 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 property in Group II. Should this not be the case, it will affect our value in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability from our part is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTIES

The properties were inspected by Sr Elsa Ng (a Registered Professional Surveyor in Hong Kong and a Registered Real Estate Appraiser in the PRC) or our graduate surveyors Mr Ivan Mak and Mr Sam Ngai in June 2014. We have inspected 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 our valuations. We have not inspected those parts of the properties which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We cannot express an opinion about or advise upon the condition of uninspected parts and the attached summary of values and valuation certificate should not be taken as making any implied representation or statement about such parts. 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 valued. 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 services (if any) and we are unable to identify those services either covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the floor areas of the properties, but have assumed that the floor areas shown on the documents and official floor 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 Instructing Party 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 materials have been used in the construction of the properties, or have since been incorporated into the properties, and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that such investigation would not disclose the presence of any such materials to any significant extent.

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 assumed 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 on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported.

SOURCES OF INFORMATION AND ITS VERIFICATION

In the course of our works, we have 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 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 appointed personnel of the Instructing Party or the Company.

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

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.

Our valuations have been made only based on the advice and information made available to us. While a limited scope of general inquiries have 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 from our part is assumed.

When we adopted the work products from other professions, external data providers and the appointed personnel of the Instructing Party or the Company in our valuations, the assumptions and caveats that adopted by them in arriving at their figures also applied in our valuation. 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 appointed personnel of the Instructing Party or the Company. Also, we have sought and received confirmation from the appointed personnel of the Instructing Party or the Company that no material factors have been omitted from the information supplied. Our analysis and valuations are based upon full disclosure between us and the appointed personnel of the Instructing Party or the Company of material and latent facts that may affect the valuations.

We have had no reason to doubt the truth and accuracy of the information provided to us by the appointed personnel of the Instructing Party or the Company. 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 Hong Kong Dollars (“HK\$”). In valuing the property in Group II, the adopted exchange rate was the prevailing rate as at the Valuation Date, being Renminbi Yuan (“RMB”) 0.789 per HK\$1 and no significant fluctuation in exchange rate has been found between that date and the date of this report.

LIMITING CONDITIONS IN THIS SUMMARY REPORT

Our findings or conclusion of values of the properties in this summary report are valid only for the stated purpose and at the Valuation Date, and for the sole use of the Instructing Party. 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 valuer accepts 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 policies 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, circular 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 report in this prospectus for the Company’s shareholders’ reference.

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Instructing Party contractual undertakings in respect of their services and shall be deemed to have paid to the Instructing Party such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding the charges paid to us for the portion of 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, loss of profits, opportunity cost etc.), even if it has been advised of their possible existence. For the avoidance of doubt our liability shall never exceed the lower of the sum calculated in accordance with the preceding provisions and the sum provided for in this clause.

The Instructing Party and the Company are 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 engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, willful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our report including this summary report 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 reporting guidelines contained in the IVS and HKIS Standards. The valuations have been undertaken by valuer, acting as external valuer, qualified for the purpose of the valuations.

We retain a copy of this report together with the data provided by the Instructing Party for the purpose of this assignment, and these data and documents will, according to the Laws of Hong Kong, be kept 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 Instructing Party'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 valuation of the properties depends solely on the assumptions made in this 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 findings or conclusion of 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.

The summary of values and the valuation certificate are attached.

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

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

Contributing valuers:
Ivan Mak Kin Hong *BSc*
Sam Ngai Yat Lun *BSc*
Joseph J Ho *BSc*

Sr Elsa Ng Hung Mui has been conducting valuation of real properties in Hong Kong, Macau and mainland China since 1994. 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.

SUMMARY OF VALUES

Group I — Properties owned and occupied by the Group in Hong Kong and valued on market value basis

Property	Amount of valuation in existing state as at 31 October 2014 <i>HK\$</i>	Interest attributable to the Group as at 31 October 2014	Amount of valuation in existing state attributable to the Group as at 31 October 2014 <i>HK\$</i>
1. Flat A901 (No. 18 Guildford Road) on 9th Floor and Car Parking Spaces Nos. A4 and A5 Block A Villa Verde Nos. 16 and 18 Guildford Road The Peak Hong Kong	67,000,000	100 per cent.	67,000,000
2. The whole of 12th Floor and Car Parking Spaces Nos. 89, 90 and 91 on 4th Floor Yardley Commercial Building No. 3 Connaught Road West Sheung Wan Hong Kong	72,000,000	100 per cent.	72,000,000
3. Workshop A on 4th Floor and its Flat Roof thereof and Car Parking Space No. P5 on Ground Floor Goodwill Industrial Building Nos. 36–44 Pak Tin Par Street Tsuen Wan New Territories	13,590,000	100 per cent.	13,590,000
		Sub-total:	<u>152,590,000</u>

Group II — Property 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 October 2014 HK\$	Interest attributable to the Group as at 31 October 2014	Amount of valuation in existing state attributable to the Group as at 31 October 2014 HK\$
4. Two parcels of land known as Lot No. 01-42-(009)-002 and various buildings erected thereon at No. 2 Yongzhen Street Hongdong Village Huiping Town Qidong City Nantong City Jiangsu Province The People's Republic of China 226255	3,200,000	100 per cent.	3,200,000
		Sub-total:	<u>3,200,000</u>

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

Property	Amount of valuation in existing state attributable to the Group as at 31 October 2014
5. Units A and B on 22nd Floor and a Car Parking Space G1 on Ground Floor Goodwill Industrial Building Nos. 36–44 Pak Tin Par Street Tsuen Wan New Territories Hong Kong	No Commercial Value
6. Flats A, B, C, D and E on 12th Floor Champion Building Nos. 287/291 Des Voeux Road Central Hong Kong	No Commercial Value
	Sub-total:
	<u>NIL</u>

Group IV — 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 October 2014
7. Unit 0903, Block 4 Jianwai SOHO No. 39 Middle Road of E 3rd Ring Road Chaoyang District Beijing The People's Republic of China 100020	No Commercial Value
8. Shop No. L-SMM-173, Block 17 Solana Lifestyle Shopping Park No. 6 Chaoyang Park Road Chaoyang District Beijing The People's Republic of China 100026	No Commercial Value
9. A warehouse located at No. 5 Daxian Road Daludian Ercun Heizhuanghuxiang Chaoyang District Beijing The People's Republic of China 100023	No Commercial Value
10. An office unit on Level 4 of Block A North Zone E Link World No. 999 Huaxu Road Xujing Town Qingpu District Shanghai The People's Republic of China 201702	No Commercial Value

Property	Amount of valuation in existing state attributable to the Group as at 31 October 2014
11. House No. 45 Xijiao Meilinguan No. 689 Gaojing Road Qingpu District Shanghai The People's Republic of China 210702	No Commercial Value
12. A portion of warehouse located at No. 658 Huacai Road Qingpu District Shanghai The People's Republic of China 210708	No Commercial Value
13. Unit 1005-2 on Level 10 of Block 1 No. 5 Xingye 1st Road Ningbo Free Trade Zone Ningbo City Zhejiang Province The People's Republic of China 315800	No Commercial Value
Sub-total:	<u>NIL</u>
GRAND TOTAL*:	<u>HK\$155,790,000</u>

* HONG KONG DOLLARS ONE HUNDRED FIFTY FIVE MILLION SEVEN HUNDRED AND NINETY THOUSAND ONLY

VALUATION CERTIFICATE

Group I — Properties owned and occupied by the Group in the Hong Kong 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 October 2014 HK\$
1. Flat A901 (No. 18 Guildford Road) on 9th Floor and Car Parking Spaces Nos. A4 and A5 Block A Villa Verde Nos. 16 and 18 Guildford Road The Peak Hong Kong	The property comprises a residential unit on the 9th Floor and 2 car parking spaces on the basement of a 10-storey residential building. The building was completed in about 1970. The property, excluding 2 car parking spaces, has a saleable floor area of approximately 2,612 sq. ft. (242.70 sq.m.)	As inspected and confirmed by the Instructing Party and the appointed personnel of the Company, the property was occupied by the Group for staff quarters purpose as at the Valuation Date.	67,000,000 (100 per cent. interest)
62/1190th shares of and in the Rural Building Lot No.834 (“the Lot”)	The Lot is held under a Conditions of Sale No. 8181 for a term of 75 years and renewable for 75 years commencing from 19 August 1963. The current annual government rent payable for the Lot is HK\$816.		

Notes:

- The registered owner of the property is King’s Flair Development Limited, an indirect wholly-owned subsidiary of the Company.
- The property is subject to a legal charge to secure general banking facilities in favour of Sin Hua Bank Limited.
- For information purpose, the market rental of the property is HK\$139,000 per month, inclusive of management fee, government rent and rates.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014 HK\$
2. The whole of 12th Floor and Car Parking Spaces Nos. 89, 90 and 91 on 4th Floor Yardley Commercial Building No. 3 Connaught Road West Sheung Wan Hong Kong	The property comprises the whole office unit on the 12th Floor and 3 car parking spaces on the 4th Floor of a 29-storey commercial building (including a cockloft floor and a basement). The building was completed in about 1981.	As inspected and confirmed by the Instructing Party and the appointed personnel of the Company, the property was occupied by the Group for office purpose as at the Valuation Date.	72,000,000
63/2001st shares of and in The Remaining Portion of Marine Lot No. 426	The property, excluding the car parking spaces, has a saleable area of approximately 5,043 sq. ft. (468.54 sq.m.).		(100 per cent. interest)
The Remaining Portion of Section B of Marine Lot No. 425	The Lot is held under various Government Leases for a term of 999 years and commencing between 1 December 1900 and 31 January 1901.		
The Remaining Portion of Marine Lot No. 425	The current annual government rent payable for the Lot is HK\$329.01.		
The Remaining Portion of Section A of Marine Lot No. 425			
The Remaining Portion of Section A of Marine Lot No. 424 and The Remaining Portion of Marine Lot No. 424 ("the Lot")			

Notes:

1. The registered owner of the property is King's Flair Development Limited, an indirect wholly-owned subsidiary of the Company.
2. The property is subject to a mortgage in favour of Hang Seng Bank Limited.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014 HK\$
3. Workshop A on 4th Floor and its Flat Roof thereof and Car Parking Space No. P5 on Ground Floor Goodwill Industrial Building Nos. 36-44 Pak Tin Par Street Tsuen Wan New Territories 13/438th shares of and in Section B of Tsuen Wan Inland Lot No.46 and The Remaining Portion of Tsuen Wan Inland Lot No. 46 ("the Lot")	<p>The property comprises a workshop unit on the 4th Floor and a car parking space on the Ground Floor of a 24-storey industrial building. The building was completed in about 1982.</p> <p>The property, excluding the car parking space, has a gross floor area and saleable area of approximately 5,627 sq. ft. (522.76 sq.m.) and 4,108 sq.ft. (381.64 sq.m.) respectively plus a flat roof area of approximately 3,015 sq.ft. (280.10 sq.m.).</p> <p>The Lot is held under a Condition of Sale No.UB5208 for a term of 75 years renewable for 24 years commencing from 1 July 1898.</p> <p>Under the New Territories Leases (Extension) ordinance 1988 (Cap 150), the lease term of the Government Lease has been extended to 30 June 2047 at a Government Rent of 3 per cent per annum of the rateable value of the Lot for the time being.</p>	<p>As inspected and confirmed by the Instructing Party and the appointed personnel of the Company, the property was occupied by the Group for workshop and storage purposes as at the Valuation Date.</p>	<p>13,590,000 (100 per cent. interest)</p>

Notes:

1. The registered owner of the property is King's Flair Development Limited, an indirect wholly-owned subsidiary of the Company.
2. The property is subject to a mortgage to secure general banking facilities in favour of Sin Hua Bank Limited.

Group II — Property 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 October 2014 HK\$
4. Two parcels of land known as Lot No. 01-42-(009)-002 and various buildings erected thereon at No. 2 Yongzhen Street Hongdong Village Huiping Town Qidong City Nantong City Jiangsu Province The People's Republic of China 226255	<p>The property comprises two parcels of land having a total site area of approximately 12,398.80 sq.m. with 2 major buildings and various ancillary supporting structures erected thereon.</p> <p>The major buildings and structures, including a workshop building and an ancillary office building, are of 2 to 3-storeys in height and having a total gross floor area of approximately 2,075.52 sq.m. The building and structure were completed in between 1994 and 2000.</p> <p>The property is subject to a right to use the land for various terms till 28 May 2049 and 30 December 2053 for industrial purpose.</p>	As inspected and confirmed by the Instructing Party and the appointed personnel of the Company, the property was vacant as at the Valuation Date.	3,200,000 (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 to 科陶陶瓷製品(啟東)有限公司 (translated as Ketao Pottery Products (Qidong) Co. Limited hereinafter referred to as "Ketao Pottery"), an indirect wholly-owned subsidiary of the Company, via the following ways:
 - (i) A parcel of land having a site area of approximately 3,994.80 sq.m.

Pursuant to a Contract for the Grant of State-owned Land Use Rights dated 29 May 2000 made between the Land and Planning Administrative Bureau of Qidong City and Ketao Pottery, the land use rights of a parcel of land having a site area of 3,995.00 sq.m. was granted to Ketao Pottery for a term of 50 years for industrial usage; and

pursuant to a State-owned Land Use Rights Certificate known as 啟國用(2000)字第1060001號 (Qi Guo Yong (2000) Zi Di 1060001 Hao) dated 2 June 2000 and issued by the Land and Planning Administrative Bureau of Qidong City, Ketao Pottery has a right to use the land having a site area of approximately 3,994.8 sq.m. for a term till 28 May 2049 for industrial purpose.
 - (ii) A parcel of land having a site area of approximately 8,404.00 sq.m.

Pursuant to a Contract for the Grant of State-owned Land Use Rights dated 30 December 2003 made between the Land Resource Bureau of Qidong City and Ketao Pottery, the land use rights of a parcel of land having a site area of 8,404.00 sq.m. was granted to Ketao Pottery for a term of 50 years for industrial usage; and

pursuant to a State-owned Land Use Rights Certificate known as 啟國用(2004)字第0065號 (Qi Guo Yong (2004) Zi Di 0065 Hao) dated 12 January 2004 and issued by the Land Resource Bureau of Qidong City, Ketao Pottery has a right to use the land having a site area of approximately 8,404.00 sq.m. for a term till 30 December 2053 for industrial purpose.
2. Pursuant to a Building Ownership Certificates known as Qi Dong Fang Quan Zheng Zi Di 00134734 Hao (啟東房權證字第00134734號) issued by the Realty Management Bureau of Qidong City dated 15 December 2011, the legally interested party in the property having a total gross floor area of approximately 2,075.52 sq.m. is Ketao Pottery.
3. According to our on-site inspection, we noticed that access of the property has to pass through a third party's land.
4. According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinions are noted:
 - (i) Ketao Pottery has legally obtained the land use rights of the property by the way of land grant and all the consideration has been fully paid;
 - (ii) Ketao Pottery is the legally interested party in the property and has the right to occupy, use, transfer, lease, mortgage or any other legal way to dispose the property before the expiry date stated in the State-owned Land Use Right Certificate; and
 - (iii) the property is not subject to any mortgage, sealing up, or other form of restrictions.

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

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
5.	Units A and B on 22nd Floor and Car Parking Space G1 on Ground Floor Goodwill Industrial Building Nos. 36-44 Pak Tin Par Street Tsuen Wan New Territories Hong Kong	<p>The property comprises the whole workshop unit on the 22nd Floor and a car parking space on ground floor of a 24-storey industrial building. The building was completed in about 1982.</p> <p>The property has a gross floor area and saleable area of approximately 8,750 sq. ft. (812.89 sq.m.) and 6,388 sq.ft. (593.46 sq.m.) respectively.</p> <p>The property is rented to the Group for a term commencing from 1 July 2014 to 31 December 2016 at a total monthly rental of HK\$63,500 exclusive of management fees, government rent and rates.</p>	No Commercial Value

Notes:

1. The landlord of the property is Wong Siu Wah, the Chairman, Executive Director and Controlling shareholder of the Group.
2. According to the information provided by the appointed personnel of the Company, the tenants of the property are as follow:
 - (i) Unit A on 22nd Floor and Car Parking Space No. G1 on ground floor of the property is King's Flair Development Limited, an indirect wholly-owned subsidiary of the Company.
 - (ii) Unit B on 22nd Floor of the property is Gloxis Development Limited, a subsidiary of the Company.

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
6.	Flats A, B, C, D and E on 12th Floor Champion Building Nos. 287/291 Des Voeux Road Central Hong Kong	<p>The property comprises the whole of the 12th Floor of a 22-storey office building. The building was completed in about 1973.</p> <p>According to the information made available to us, the property has a saleable area of approximately 2,270 sq. ft. (210.89 sq.m.)</p> <p>The property is rented to the Group for a term of 2 years commencing from 1 June 2014 to 31 May 2016 at a monthly rental of HK\$52,000.00 inclusive of government rent and rates.</p> <p>The property was occupied by the Group for office and showroom purposes as at the Valuation Date.</p>	No Commercial Value

Notes:

1. The landlord of the property is Kan Ho Enterprises Company, Limited, an independent third party of the Company.
2. The tenant of the property is Wonder Household Limited, a subsidiary of the Company.

Group IV — 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 October 2014
7.	Unit 0903 Block 4 Jianwai SOHO No. 39 Middle Road of E 3rd Ring Road Chaoyang District Beijing The People's Republic of China 100020	<p>The property comprises an office unit on Level 9 of a 13-storey office building. The building was completed in about 2006.</p> <p>According to the information made available to us, the property has a lettable area of approximately 161.99 sq.m.</p> <p>The property is rented to the Group for a term of 2 years commencing from 25 July 2013 to 24 July 2015 at a monthly rental of RMB20,000.00 inclusive of management fees and heating fees.</p> <p>The property was occupied by the Group for office purpose as at the Valuation Date.</p>	No Commercial Value

Notes:

- The lessor of the property is 項翔 (translated as "Xiangxiang"), an independent third party of the Company.
- The lessee of the property is 寧波家之良品國際貿易有限公司 (translated as Ningbo Homesbrands International Trading Company Limited), an indirect subsidiary of the Company.
- According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinion is noted:
 - The tenancy agreement is legally entered and valid.

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
8.	Shop No. L-SMM-173 Block 17 Solana Lifestyle Shopping Park No. 6 Chaoyang Park Road Chaoyang District Beijing The People's Republic of China 100026	<p>The property comprises a retail shop on the basement of a 6-storey shopping arcade (including 2 levels of basement) which was completed in about 2008.</p> <p>According to the information made available to us, the property has a lettable area of approximately 114.30 sq.m.</p> <p>The property is rented to the Group for a term of 3 years commencing from 1 July 2013 to 30 June 2016 at a currently monthly base rental of RMB118,205.25 exclusive of management fees and promotion fee.</p> <p>The property was occupied by the Group for retail shop purpose as at the Valuation Date.</p>	No Commercial Value

Notes:

- The lessor of the property is 藍色港灣有限公司 (translated as "Solana Limited"), an independent third party of the Company.
- The lessee of the property is 寧波家之良品國際貿易有限公司北京分公司 (translated as Ningbo Homesbrands International Trading Company Limited, Beijing Branch), an indirect subsidiary of the Company.
- According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinion is noted:
 - The tenancy agreement is legally entered and valid.

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
9.	A warehouse located at No. 5 Daxian Road Daludian Ercun Heizhuanghuxiang Chaoyang District Beijing The People's Republic of China 100023	<p>The property comprises a single storey of a warehouse which was completed in about 2010.</p> <p>According to the information made available to us, the property has a lettable area of approximately 300.00 sq.m.</p> <p>The property is rented to the Group for a term commencing from 10 September 2014 to 9 September 2015 at a yearly rental of RMB93,075.00.</p> <p>The property was occupied by the Group for warehouse purpose as at the Valuation Date.</p>	No Commercial Value

Notes:

- The lessor of the property is 上海會成物流有限公司 (translated as "Shanghai Huicheng Logistics Company Limited"), an independent third party of the Company.
- The lessee of the property is 寧波家之良品國際貿易有限公司 (translated as Ningbo Homesbrands International Trading Company Limited), an indirect subsidiary of the Company.
- According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinion is noted:
 - The tenancy agreement is legally entered and valid.

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
10.	An office unit on Level 4 of Block A North Zone E Link World No. 999 Huaxu Road Xujing Town Qingpu District Shanghai The People's Republic of China 201702	<p>The property comprises an office unit on Level 4 of a 6-storey office building which was completed in about 2012.</p> <p>According to the information made available to us, the property has a gross floor area of approximately 1,421.88 sq.m.</p> <p>The property is rented to the Group for a term of 60 months from 1 November 2012 to 31 October 2017 at a yearly rental RMB986,073.78 exclusive of management fees.</p> <p>The property was occupied by the Group for office purpose as at the Valuation Date.</p>	No Commercial Value

Notes:

- The lessor of the property is 上海莎歐科技發展有限公司 (translated as "Shanghai Sha'ou Technology Development Company Limited"), an independent third party of the Company.
- The lessee of the property is 悠享(上海)商貿有限公司 (translated as Youxiang (Shanghai) Commercial & Trade Company Limited), an indirect subsidiary of the Company.
- According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinions are noted:
 - The tenancy agreement is legally entered and valid;
 - The property is subject to a mortgage in favour of the Bank of Shanghai Company Limited Baiyu Branch; and
 - In case Bank of Shanghai Company Limited Baiyu Branch exercised its right, the tenancy agreement may be terminated.

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
11.	House No. 45 Xijiao Meilinguan No. 689 Gaojing Road Qingpu District Shanghai The People's Republic of China 210702	<p>The property comprises a 3-storey house which was completed in about 2004.</p> <p>According to the information made available to us, the property has a gross floor area of approximately 325.00 sq.m.</p> <p>The property is rented to the Group for a term commencing from 15 November 2013 to 14 November 2014 at a monthly rental RMB25,000.00 inclusive of management fees.</p> <p>The property was occupied by the Group for residential purpose as at the Valuation Date.</p>	No Commercial Value

Notes:

- The lessor of the property is 陸佩君 (translated as "Lu Pei Jun"), an independent third party of the Company.
- The lessee of the property is 悠享(上海)商貿有限公司 (translated as "Youxiang (Shanghai) Commercial & Trade Company Limited"), an indirect subsidiary of the Company.
- According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinion is noted:
 - The tenancy agreement is legally entered and valid.

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
12.	A portion of warehouse located at No. 658 Huacai Road Qingpu District Shanghai The People's Republic of China 210708	<p>The property comprises a portion of a single storey warehouse which was completed in about 2013.</p> <p>According to the information made available to us, the property has a lettable area of approximately 1,075 sq.m.</p> <p>The property is rented to the Group for a term commencing from 1 December 2013 to 2 July 2015 at a yearly rental RMB255,043.75 exclusive of management fees, taxes and warehouse insurance.</p> <p>The property was occupied by the Group for warehouse purpose as at the Valuation Date.</p>	No Commercial Value

Notes:

- The lessor of the property is 上海康馳物流有限公司 (translated as "Shanghai Netax Logistics Company Limited"), an independent third party of the Company.
- The lessee of the property is 寧波家之良品國際貿易有限公司 (translated as "Ningbo Homesbrands International Trading Company Limited"), an indirect subsidiary of the Company.
- According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinion is noted:
 - The tenancy agreement is legally entered and valid.

	Property	Description and occupancy	Amount of valuation in existing state attributable to the Group as at 31 October 2014
13.	Unit 1005-2 on Level 10 of Block 1 No. 5 Xingye 1st Road Ningbo Free Trade Zone Ningbo City Zhejiang Province The People's Republic of China 315800	<p>The property comprises an office unit with ancillary furniture (2 display booth, a desk and public air-conditioner) on Level 10 of a 12-storeys building which was completed in approximately 2005. (See Note 3 below)</p> <p>According to the information made available to us, the property has a gross floor area of approximately 12.58 sq.m.</p> <p>The property is rented to the Group for a term commencing from 13 March 2014 to 12 March 2017 at a nil monthly rental and management fee.</p> <p>The property was occupied by the Group for office and showroom purposes as at the Valuation Date.</p>	No Commercial Value

Notes:

1. The lessor of the property is 寧波保稅區市場發展有限公司 (translated as "Ningbo Free Trade Zone Market Development Company Limited"), an independent third party of the Company.
2. The lessee of the property is 寧波家之良品國際貿易有限公司 (translated as "Ningbo Homesbrands International Trading Company Limited"), an indirect subsidiary of the Company.
3. According to the information provided by the appointed personnel of the Company, the lessee is liable to pay an annual rental of RMB2,000 for the ancillary furniture.
4. According to the legal opinions prepared by the Company's PRC legal adviser, Guangdong Allied Law Firm (廣東雅爾德律師事務所), the following opinion is noted:
 - (i) The tenancy agreement is legally entered and valid.