

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this Prospectus received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2012 of the property interest of the Group.



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Licence No: C-030171

13 November 2012

The Board of Directors
Casablanca Group Limited
5/F., Yan Hing Centre
9-13 Wong Chuk Yeung Street
Fo Tan, Shatin
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property in which Casablanca Group Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interest in the PRC, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interest as at 30 September 2012 (the “date of valuation”).

Our valuation of the property interest represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.”

In valuing the property interest which is currently under construction as at the date of valuation, we have assumed that it will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of value, we have taken into account the construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees to be expended to complete the development.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any neither of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, paragraph 34(2) of the Third Schedule of Companies

Ordinance and section 6 of Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

In forming our value to the property in the PRC, we have relied on the legal opinion provided by the Group's PRC legal advisor, Grandall Law Firm (the "PRC Legal Opinion"). We have been provided with extracts from title documents relating to such property interest. We have not, however, searched the original documents to verify ownership or existence of any amendment which does not appear on the copies handed to us. All documents have been used for reference only.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

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

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

The site inspection was carried out in 27 June 2012 by Kelvin K. F. Lan, who is a probationer of HKIS with 2 year experience in the valuation of properties in the PRC and 3 years of property valuation experience in Hong Kong.

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

Our valuation certificate is attached below.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Gilbert C. H. Chan
MRICS MHKIS RPS (GP)
Director

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 19 years' experience in the valuation of properties in the PRC and 20 years of property valuation experience in Hong Kong, the United Kingdom as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property Interest Held under Development by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2012 RMB								
A parcel of land, 3 buildings and various structures located at Dongxing District Dongjiang High Technology Zone Huizhou City Guangdong Province the PRC	<p>The property comprises a parcel of land with a site area of approximately 86,690.9 sq.m and an industrial development with staff quarter under construction.</p> <p>The construction is scheduled to be completed in December 2012. Upon completion, the development will have a total gross floor area of approximately 40,807.04 sq.m. and the details are set out as following:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Phase I</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">8,141.44</td> </tr> <tr> <td>Industrial</td> <td style="text-align: right;">32,665.60</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>40,807.04</u></td> </tr> </tbody> </table>	Phase I	Gross Floor Area (sq.m.)	Residential	8,141.44	Industrial	32,665.60	Total:	<u>40,807.04</u>	The property is currently under construction as at the date of valuation.	77,000,000
Phase I	Gross Floor Area (sq.m.)										
Residential	8,141.44										
Industrial	32,665.60										
Total:	<u>40,807.04</u>										
	<p>As advised by the Company, the total estimated construction cost for phase I is approximately RMB81,760,000, of which RMB52,900,000 has been incurred up to the date of valuation.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 5 July 2061 for industrial use(s).</p>										

Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Hui Fu Guo Yong (2011) Di No. 13021750008, the land use rights of a parcel of land with a site area of approximately 86,690.9 sq.m. were granted to Casablanca (Huizhou) for a term of 50 years expiring on 5 July 2061 for industrial use.
- Pursuant to a Construction Land Planning Permit – Di Zi Di No. DJ2011YD003 in favour of Casablanca (Huizhou), permission towards the planning of the subject land with a site area of approximately 86,690.9 sq.m. has been granted to Casablanca (Huizhou).
- Pursuant to a Construction Work Planning Permit – Jian Zi Di No. DJ2011GC003K-1, DJ2011GC003K-2 and DJ2011GC003K-3 in favour of Casablanca (Huizhou), 3 buildings with a total gross floor area of approximately 40,807.04 sq.m. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 441305201203201101 in favour of Casablanca (Huizhou), 3 buildings with a total gross floor area of approximately 40,807.04 sq.m. have been approved for construction.

5. The estimated capital value after completion is RMB106,000,000.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, inter alia, the following:
- a. Casablanca (Huizhou) has settled the payment of land premium;
 - b. Casablanca (Huizhou) has the right to use, transfer, lease, mortgage or otherwise dispose of the property and is protected by the PRC law; and
 - c. Casablanca has obtained the approvals from relevant authorities and has the right to proceed with the construction activity in the property.
7. A summary of major certificates/approvals is shown as follows:
- | | |
|--|-----|
| a. State-owned Land Use Rights Certificate | Yes |
| b. Construction Land Planning Permit | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Yes |
| e. Pre-sales Permit | N/A |
| f. Construction Work Completion and Inspection Certificate/Table | No |
8. The property contributes a significant influence on the operation to the Group and we are of the view that the property is the material property held by the Group:

Details of the material property

- | | |
|---|---|
| (a) General description of location of the property: | A parcel of land, 3 buildings and various structures under construction (phase 1), located at Dongxing District, Dongjiang High Technology Zone. |
| (b) Details of encumbrances, liens, pledges, mortgages against the property: | The property is free and clear of any and all liens, charges, encumbrances, equities, claims, defects, options or restrictions. |
| (c) Environmental Issue: | Pursuant to a "Reply to the Environmental Influence Feasibility Report of Casablanca (Huizhou)" (《關於卡撒天嬌家居(惠州)有限公司環境影響報告表的批覆》), the Huizhou Environmental Protection Department – Zhong Kai High Technology Industry Development Zone (惠州市環境保護局仲愷高新技術產業開發區分局) has approved Casablanca (Huizhou) to invest and construct bedding production project in the Industrial Zone. There is no environmental issue as at the latest practicable date. |
| (d) Details of investigations, notices, pending litigation, breaches of law or title defects: | As advised by the Company's PRC legal advisor, the property shall be free and clear of any and all liens, charges, encumbrances, equities, claims, defects, options or restrictions. |
| (e) Future plans for construction, renovation, improvement or development of the property: | The CIP is divided into two phases, phase I and phase II. Phase I comprises a staff quarter, an industrial building and an ancillary building with a total gross floor area of approximately 40,807.04 sq.m. It is scheduled to be completed in 2012. Phase II is still under planning process. |