

The following is the text of a letter, summary of values and valuation certificates, 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 31 October 2013 of the property interests of the Group.



JONES LANG
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Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

10 December 2013

The Board of Directors
China Creative Home Group Limited
Room A (23), 3rd Floor
Cheong Sun Tower
116–118 Wing Lok Street
Sheung Wan
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties in which China Creative Home Group Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) have interests in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 31 October 2013 (the “**valuation date**”).

Our valuation of the property interests represents the market value which we would define as intended to mean “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”.

Due to the nature of the buildings and structures of the property in the PRC, there are no market sales comparables readily available, the property interests of the buildings and structures in Group I have been valued by the Cost Approach with reference to their depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

We have attributed no commercial value to the property interest in Group II, which has not been assigned to the Group as at the valuation date, thus the title of the property is not vested in the Group.

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

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

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards (2012 Edition) on Properties published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

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

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

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

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

Site inspection of the properties was carried out in the period between 1 June 2013 and 18 July 2013 by Mr. Frank F. Wong and Ms. Lin Gao. Mr. Wong is a Chartered Surveyor. He has 6 years' experience in the valuation of properties in the PRC, whilst Ms. Gao has accumulated 4 years' experience in this field.

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

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

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

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 20 years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUES

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

No.	Property	Capital value in	Interest	Capital value
		existing state as at 31 October 2013 <i>RMB</i>	attributable to the Group	attributable to the Group as at 31 October 2013 <i>RMB</i>
1.	A parcel of land, 2 buildings and various structures located at Huoju Community Jiangnan Street Licheng District Quanzhou City Fujian Province The PRC	1,593,000	100%	1,593,000
2.	A parcel of land and 2 buildings located at No. 232 Xingxian Road Jiangnan Street Licheng District Quanzhou City Fujian Province The PRC	110,251,000	100%	110,251,000
3.	2 parcels of land, 10 buildings and various structures located at Zhuangtian Village Heshi Town Luojiang District Quanzhou City Fujian Province The PRC	134,855,000	100%	134,855,000

APPENDIX IV**PROPERTY VALUATION REPORT**

No.	Property	Capital value in	Interest	Capital value
		existing state as at 31 October 2013 <i>RMB</i>	attributable to the Group	attributable to the Group as at 31 October 2013 <i>RMB</i>
4.	5 parcels of land, 18 buildings and various structures located at Industrial Area Quangang District Quanzhou City Fujian Province The PRC	147,160,000	100%	147,160,000
Sub-total:		393,859,000		393,859,000

Group II –Property interest contracted to be acquired by the Group in the PRC

No.	Property	Capital value in	Interest	Capital value
		existing state as at 31 October 2013 <i>RMB</i>	attributable to the Group	attributable to the Group as at 31 October 2013 <i>RMB</i>
5.	2 parcels of land located at Zhuangtian Village Heshi Town Luojiang District Quanzhou City Fujian Province The PRC	No commercial value	100%	No commercial value
Sub-total:		Nil		Nil
Grand total:		393,859,000		393,859,000

VALUATION CERTIFICATE

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

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at
				31 October 2013 RMB
1.	A parcel of land, 2 buildings and various structures located at Huoju Community Jiangnan Street Licheng District Quanzhou City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 2,118 sq.m., 2 buildings and various ancillary structures erected thereon which were completed in 1997.</p> <p>The buildings have a total gross floor area of approximately 2,100 sq.m.</p> <p>The buildings include an industrial building and a dormitory building.</p> <p>The structures mainly include wall, yard and gate.</p> <p>The land use rights of the property have been granted for a term of 50 years with the expiry date of 17 August 2061 for industrial use.</p>	The property is currently vacant.	<p>1,593,000</p> <p>100% interest attributable to the Group: RMB1,593,000</p>

Notes:

- Allen (China) Co., Ltd., (亞倫中國有限公司, “China Allen”) is a wholly-owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract – Quan Di (2011) ZB He No. 12 dated 17 August 2011, the land use rights of the property were contracted to be granted to China Allen for a term of 50 years expiring on 17 August 2061 for industrial use. The land premium was RMB1,319,514.
- Pursuant to a State-owned Land Use Rights Certificate – Quan Guo Yong (2009 Qing) Di No. 136, the land use rights of the property with a site area of approximately 2,118 sq.m. have been granted to China Allen for a term of 50 years with the expiry date of 17 August 2061 for industrial use.
- For the two buildings with a gross floor area of approximately 2,100 sq.m., we have not been provided with any proper title certificates and the details are set out as follows:

No.	Building	No. of Storey	Usage	Gross Floor Area (sq.m.)
1.	Industry Building	One	Production	1,000
2.	Dormitory Building	Three	Ancillary services	1,100

5. According to a Confirmation Letter dated 8 August 2013 issued by Quanzhou Urban and Rural Planning Bureau (泉州市城鄉規劃局 “**QURPB**”), China Allen will not have any legal obstacles to obtain Construction Land Planning Permit and Construction Work Planning Permit for the buildings mentioned in note 4 and QURPB will not request China Allen to demolish the aforesaid buildings or impose any fine prior to obtain the building ownership certificates.
6. According to a Confirmation Letter dated 23 August 2013 issued by Quanzhou Construction Bureau of Residential Building and Urban & Rural (泉州市住房和城鄉建設局 “**QCB**”), China Allen will not have any legal obstacles to obtain relevant construction permits and building ownership certificates for the buildings mentioned in note 4 and QCB will not request China Allen to demolish aforesaid buildings or impose any fine prior to obtain the building ownership certificates.
7. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. China Allen has obtained the land use rights certificate of the property. Within the land use rights term, China Allen is the sole legal user of this parcel of land and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the land use rights of the property; and
 - b. QURPB and QCB have legal rights to issue the confirmation letters mentioned in notes 5 and 6. The relevant permits and title certificates are under application by China Allen and there are no legal obstacles to obtain such permits and title certificates.
8. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the two buildings of the property. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land element) as at the valuation date would be RMB779,000 assuming the relevant title certificates have been obtained and the building could be freely transferred.

APPENDIX IV

PROPERTY VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at
				31 October 2013 RMB
2.	A parcel of land and 2 buildings located at No. 232 Xingxian Road Jiangnan Street Licheng District Quanzhou City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 4,419.1 sq.m. and 2 buildings erected thereon which were completed in 1996 and 2012 respectively.</p> <p>The buildings have a total gross floor area of approximately 29,671.9 sq.m.</p> <p>The buildings include two office buildings.</p> <p>The land use rights of the property have been granted for a term of 50 years with the expiry date of 9 June 2055 for industrial use.</p>	<p>The property was vacant as at the valuation date.</p> <p>Currently a portion of the property is rented to a third party for commercial purpose, which is under decoration.</p>	<p>110,251,000</p> <p>100% interest attributable to the Group: RMB110,251,000</p>

Notes:

- Allen (China) Co., Ltd., (亞倫中國有限公司, “China Allen”), which was known as Allen Group (Fujian) Co., Ltd (亞倫集團福建有限公司, “Allen Fujian”), is a wholly-owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract – Quan Di (2005) He No. 24 dated 9 June 2005, the land use rights of the property were contracted to be granted to Allen Fujian for a term of 50 years expiring on 9 June 2055 for industrial use. The land premium was RMB388,880.8.
- Pursuant to a State-owned Land Use Rights Certificate – Quan Guo Yong (2010) Di No. 100075, the land use rights of the property with a site area of approximately 4,419.1 sq.m. have been granted to China Allen for a term of 50 years with the expiry date of 9 June 2055 for industrial use.
- According to a Meeting Minutes – Quan San Jiu Lian (2013) No.1, the use of the land mentioned in note 3 has been approved in principle to convert from industrial use to commercial use.
- Pursuant to 2 Building Ownership Certificates – Quan Fang Quan Zheng Li Cheng Qu (Li) Di Nos. 201006420 and 201216502, 2 buildings with a total gross floor area of approximately 29,671.9 sq.m. are owned by China Allen.
- Pursuant to a Mortgage Contract of Maximum Amount, the building with Building Ownership Certificate of Quan Fang Quan Zheng Li Cheng Qu (Li) Di No. 201216502 is subject to a mortgage in favour of China Construction Bank Corporation Quanzhou Licheng Sub-Branch (中國建設銀行股份有限公司泉州鯉城支行), as security to guarantee the principal obligation under a contract for a maximum amount of RMB18,300,000 with the security term from 19 January 2012 to 19 February 2014.
- According to a Tenancy Agreement, a portion of the property with a total gross floor area of approximately 23,167.67 sq.m. is rented to an independent third party for commercial purpose for a term of 18 years expiring on 31 December 2031 at a total annual rent of RMB8,594,476.68 for the first three years and 6% increase every three years based on the previous rent, exclusive of water and electricity charges.
- According to a Supplemental Agreement of the agreement mentioned in note 7, the tenant will not use the rented property as commercial use prior to receive the approval on the change of use from industrial to commercial.

9. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- a. China Allen has no material legal obstacles to convert the use of the land mentioned in note 4;
 - b. China Allen has obtained the land use rights certificate of the property. Within the land use rights term, China Allen is the sole legal user of this parcel of land and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the land use rights of the property;
 - c. China Allen has obtained the building ownership certificates of the property and is the sole legal owner of the buildings of the property. Except the mortgage mentioned in note 6, China Allen has fully, legally and effectively obtained the ownership rights of the buildings of the property. The mortgage mentioned in note 6 is legal and valid; and
 - d. the Tenancy Agreement and Supplemental Agreement mentioned in notes 7 and 8 are valid.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2013 RMB
3.	2 parcels of land, 10 buildings and various structures located at Zhuangtian Village Heshi Town Luojiang District Quanzhou City Fujian Province The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 46,673 sq.m., 10 buildings and various ancillary structures erected thereon which were completed in various stages between 2011 and 2013.</p> <p>The buildings have a total gross floor area of approximately 40,561.06 sq.m.</p> <p>The buildings mainly include two industrial buildings, an office building, a dormitory, a canteen and a guardhouse.</p> <p>The structures mainly include boundary fences, roads and gate.</p> <p>The land use rights of the property have been granted for a term of 50 years with the expiry dates of 28 June 2057 and 9 December 2059 respectively for industrial use.</p>	<p>The property is currently rented to a wholly-owned subsidiary of the Company for production, storage and ancillary office purposes except for a building of approximately 210 sq.m. which is currently vacant. (see notes 9–11)</p>	<p>134,855,000</p> <p>100% interest attributable to the Group: RMB134,855,000</p>

Notes:

- Allen (China) Co., Ltd., (亞倫中國有限公司, “China Allen”) is a wholly-owned subsidiary of the Company.
- Pursuant to 2 State-owned Land Use Rights Grant Contracts – Quan Luo Di He (2007) Di No. 68 and No. 35050420091210G006 dated 29 June 2007 and 15 December 2009 respectively, the land use rights of the property were contracted to be granted to Allen Group (Fujian) Co., Ltd. (亞倫集團福建有限公司, now known as China Allen) for a term of 50 years with the expiry dates of 28 June 2057 and 9 December 2059 respectively for industrial use. The total land premium was RMB14,966,768.
- Pursuant to 2 State-owned Land Use Rights Certificates – Luo Guo Yong (2011) Di Nos. 14 and 114, the land use rights of 2 parcels of land with a total site area of approximately 46,673 sq.m. have been granted to China Allen for a term of 50 years with the expiry dates of 28 June 2057 and 9 December 2059 respectively for industrial use.
- Pursuant to 3 Building Ownership Certificates – Quan Fang Quan Zheng Luo Jiang Qu (Luo) Zi Di Nos. 201115167, 201115168 and 201115169 dated 21 October 2011, 3 buildings with a total gross floor area of approximately 32,876.56 sq.m. are owned by China Allen.
- Pursuant to a Building Ownership Certificate – Quan Fang Quan Zheng Luo Jiang Qu (Luo) Zi Di No. 201303724 dated 4 December 2013, a building with a gross floor area of approximately 5,404.5 sq.m. is owned by China Allen.

6. For the remaining 6 buildings with a total gross floor area of approximately 2,280 sq.m., we have not been provided with any proper title certificates and the details are set out as follows:

No.	Building	No. of Storey	Usage	Gross Floor Area (sq.m.)
1.	Guard House	Two	Ancillary Services	500
2.	Canteen	One	Ancillary Services	800
3.	Exhibition & Warehouse	Two	Storage	400
4.	Warehouse	One	Storage	300
5.	Warehouse	One	Storage	70
6.	Shop	One	Retail	210

7. According to a Confirmation Letter dated 15 August 2013 issued by Quanzhou Luojiang Planning and Construction Bureau of Residential Building and Urban & Rural (泉州市洛江區住房和城鄉規劃建設局, “QLPCB”), China Allen will not have any legal obstacles to obtain relevant construction permits and building ownership certificates for the buildings mentioned in note 6 and QLPBC will not request China Allen to demolish aforesaid buildings or impose any fine prior to obtain the building ownership certificates.
8. Pursuant to 2 Mortgage Contracts of Maximum Amount, 3 buildings mentioned in note 4 are subject to a mortgage in favour of China Construction Bank Corporation Quanzhou Licheng Sub-Branch (中國建設銀行股份有限公司泉州鯉城支行), as security to guarantee the principal obligation under a contract for a total maximum amount of RMB29,000,000 with the security term from 29 February 2012 to 19 February 2014.
9. According to 2 Tenancy Agreements, a building of the property with a gross floor area of approximately 210 sq.m. is rented to Lan Xingliang (藍星亮) and Lai Huoxing (賴火星) (two independent third parties) for a term expiring on 14 February 2018 at a total annual rent of RMB60,000, inclusive of water and electricity charges.
10. According to 2 Tenancy Termination Letters dated 8 November 2013, the Tenancy Agreements mentioned in note 9 have been terminated since 30 November 2013.
11. According to 3 Tenancy Agreements, the property, except the building mentioned in note 9, is rented to Allen Electronics Co., Ltd. Fujian, a wholly-owned subsidiary of the Company, for an unfixed term at a total annual rent of RMB7,200,000.
12. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
- China Allen has obtained the land use rights certificate of the property. Within the land use rights term, China Allen is the sole legal user of this parcel of land and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the land use rights of the property;
 - China Allen has obtained the building ownership certificates of the property mentioned in note 4 and note 5 and is the sole legal owner of the buildings. Except the mortgage mentioned in note 8, China Allen has fully, legally and effectively obtained the ownership rights of the buildings mentioned in note 4 and note 5. The mortgage mentioned in note 8 is legal and valid;
 - QLPCB has legal rights to issue the confirmation letter mentioned in note 7. The relevant permits and title certificates are under application by China Allen and there are no legal obstacles to obtain such permits and title certificates; and
 - The Tenancy Agreements mentioned in note 11 are valid and the risk is remote to be imposed fine. Once China Allen received the relevant permits and title certificates, the Tenancy Agreements will become legally valid.
13. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the remaining 6 buildings of the property. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land element) as at the valuation date would be RMB4,632,000 assuming the relevant title certificates have been obtained and the building could be freely transferred.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2013 RMB
4.	5 parcels of land, 18 buildings and various structures located at Industrial Area Quangan District Quanzhou City Fujian Province The PRC	<p>The property comprises 5 parcels of land with a total site area of approximately 170,659.7 sq.m., 18 buildings and various ancillary structures erected thereon which were completed in various stages between 2002 and 2011.</p> <p>The buildings have a total gross floor area of approximately 77,870.67 sq.m.</p> <p>The buildings mainly include dormitories, industrial buildings, warehouses, transformer rooms, office building and guardhouses.</p> <p>The structures mainly include boundary fences, roads and gates.</p> <p>The land use rights of the property have been granted for various terms of 50 years and 70 years with the expiry date between 2052 and 2072 for industrial use and composite use of commercial and residential.</p>	<p>The property is currently occupied by the Group for production purpose except for 37 units of the dormitories of the property with a total gross floor area of approximately 2,647 sq.m. which is currently vacant.</p>	<p>147,160,000</p> <p>100% interest attributable to the Group:</p> <p>RMB147,160,000</p>

Notes:

1. Quanzhou Allen Light Industry Co., Ltd., (泉州亞倫輕工有限公司, “**Quanzhou Allen**”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 4 State-owned Land Use Rights Grant Contracts – Quan Gang (2002) He Nos. Z010 and Z011 and Quan Gang (2005) He Nos. B002 and Z017 dated between 2002 and 2005, the land use rights of the property were contracted to be granted to Quanzhou Allen for various terms of 50 years and 70 years with the expiry date between 2052 and 2072 for industrial use and composite use of commercial and residential respectively. The total land premium was RMB13,775,179.
3. Pursuant to 5 State-owned Land Use Rights Certificates – Quan Gang Guo Yong (2005) Zi Di Nos. 082 and 083, Quan Gang Guo Yong (2005) Di No. 143 and Quan Gang Guo Yong (2002) Zi Di Nos. 024 and 0025, the land use rights of 5 parcels of land with a total site area of approximately 170,659.7 sq.m. have been granted to Quanzhou Allen for various terms of 50 years and 70 years with the expiry dates of 27 May 2052, 4 May 2055 and 21 May 2072 respectively for industrial use and composite use of commercial and residential respectively.

4. Pursuant to 8 Building Ownership Certificates – Quan Fang Quan Zheng Quan Gang Zi Di Nos. 002896, 004152, 007842, 0004320 and 000509 to 000512 with a total gross floor area of approximately 60,940.67 sq.m. are owned by Quanzhou Allen.
5. For the remaining 10 buildings with a total gross floor area of approximately 16,930 sq.m., we have not been provided with any proper title certificates and the details are set out as follows:

No.	Building	No. of Storey	Usage	Gross Floor Area (sq.m.)
1.	Canteen I	One	Ancillary Services	1,412
2.	Canteen II	One	Ancillary Services	1,288
3.	Transformer Room	One	Ancillary Services	30
4.	Office Building	Two	Office	400
5.	Warehouse	One	Storage	400
6.	Warehouse	One	Storage	750
7.	Warehouse	One	Storage	4,800
8.	Warehouse	One	Storage	5,800
9.	Transformer Room & Toilet	One	Ancillary Services	250
10.	Office Building	Three	Office	1,800

6. According to a Confirmation Letter dated 16 August 2013 issued by Quanzhou Quangang Planning and Construction Bureau of Residential Building and Urban & Rural (泉州市泉港區住房和城鄉規劃建設局, “QQPCB”), Quanzhou Allen will not have any legal obstacles to obtain relevant construction permits and building ownership certificates for the buildings mentioned in note 5 and QQPCB will not request Quanzhou Allen to demolish aforesaid buildings or impose any fine prior to obtain the building ownership certificates.
7. Pursuant to 3 Mortgage Contracts of Maximum Amount, the land use rights of 2 parcels of land with State-owned Land Use Rights Certificates of Quan Gang Guo Yong (2005) Zi Di Nos. 082 and 083 and 3 buildings with Building Ownership Certificate of Quan Fang Quan Zheng Quan Gang Zi Di Nos. 002896, 007842 and 004152 are subject to 3 mortgages in favour of China Construction Bank Quanzhou Licheng Sub-Branch (中國建設銀行股份有限公司泉州鯉城支行), as security to guarantee the principal obligation under 3 contracts for a total maximum amount of RMB12,160,000 with various security terms between 2012 and 2015.
8. Pursuant to a Mortgage Contract of Maximum Amount, the land use rights of a parcel of land with State-owned Land Use Rights Certificates of Quan Gang Guo Yong (2002) Zi Di No. 024 and 2 buildings with Building Ownership Certificate of Quan Fang Quan Zheng Quan Gang Zi Di Nos. 000510 and 000512 are subject to a mortgage in favour of China Merchants Bank Quanzhou Quanxiu Sub-Branch (招商銀行股份有限公司泉州泉秀支行), as security to guarantee the principal obligation under a contract for a maximum amount of RMB30,000,000 with the security term from 10 July 2013 to 9 July 2014.
9. Pursuant to a Mortgage Contract of Maximum Amount, the land use rights of a parcel of land with State-owned Land Use Rights Certificate of Quan Gang Guo Yong (2002) Zi Di No. 0025 and 3 buildings with Building Ownership Certificates of Quan Fang Quan Zheng Quan Gang Zi Di Nos. 000509, 000511 and 0004320 are subject to a mortgage in favour of Industrial Bank Co., Ltd. Quanzhou Branch (興業銀行股份有限公司泉州分行), as security to guarantee the principal obligation under a contract for a maximum amount of RMB38,000,000 with the security term from 26 August 2013 to 25 August 2016.
10. According to 27 Tenancy Agreements, 37 units of dormitory buildings of the property with a total gross floor area of approximately 2,647 sq.m. is rented to various independent third parties for commercial use for various terms with the expiry date between 2014 and 2016 at a total annual rent of RMB219,468, exclusive of water and electricity charges.

11. According to 27 Tenancy Termination Letters, the Tenancy Agreements mentioned in note 10 have been terminated since 30 November 2013.
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Quanzhou Allen has obtained the land use rights certificate of the property. Within the land use rights term, Quanzhou Allen is the sole legal user of this parcel of land and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the land use rights of the property;
 - b. Quanzhou Allen has obtained the building ownership certificates of the property mentioned in note 4 and is the sole legal owner of the buildings. Except the mortgages mentioned in notes 7, 8 and 9, Quanzhou Allen has fully, legally and effectively obtained the ownership rights of the buildings. The mortgages mentioned in notes 7, 8 and 9 are legal and valid; and
 - c. QQPCB has rights to issue the confirmation letter mentioned in note 6. The relevant permits and title certificates are under application by Quanzhou Allen and there are no legal obstacles to obtain such permits and title certificates.
13. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the remaining 10 buildings of the property. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land element) as at the valuation date would be RMB21,599,000 assuming the relevant title certificates have been obtained and the building could be freely transferred.

Group II – Property interest contracted to be acquired by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at
				31 October 2013 RMB
5.	2 parcels of land located at Zhuangtian Village Heshi Town Luojiang District Quanzhou City Fujian Province The PRC	The property comprises 2 parcels of land with a total site area of approximately 19,033 sq.m.	The property is vacant as at the valuation date.	No commercial value

Notes:

- Allen Electronics Co., Ltd. Fujian, (福建亞倫電子電器科技有限公司, “Fujian Allen”) is a wholly-owned subsidiary of the Company.
- The Group has entered into two State-owned Land Use Rights Transfer Contracts with Quanzhou Senfu Seafood Co., Ltd. 泉州市森富海產食品有限公司 and Quanzhou Luojiang District Senhai Cold Storage Co., Ltd. 泉州市洛江區森海冷藏有限公司 respectively dated on 14 June 2013 to purchase two parcels of land with a total site area of approximately 19,033 sq.m. at a total consideration of RMB18,543,500.
- As at the valuation date, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the valuation date would be RMB6,852,000, on condition that the relevant title certificates have been obtained by the Group and the Group is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.
- As confirmed by the Group, the total consideration of RMB18,543,500 had been paid by the Group to purchase the property up to the valuation date.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:

The contracts mentioned in note 2 are legal, valid and enforceable for both signing parties. The relevant title certificates shall be granted to Fujian Allen once the transaction is completed.