

The following is the text of a letter, summary of valuations and valuation certificates prepared for the purpose of incorporation in this prospectus received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market value of the property interests in Hong Kong and the PRC as at 30 November 2013.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

January 16, 2014

The Directors
Honworld Group Limited
Balidian Town
Food and Industrial Park
Wuxing District
Huzhou City
Zhejiang Province
the PRC

Dear Sirs,

Instructions, Purpose and Date of Valuation

In accordance with your instructions for us to value the property held by Honworld Group Limited (the “Company”) or its subsidiaries or its associated companies (hereinafter together referred to as the “Group”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing the Group with our opinion of the market values of those property interests as at 30 November 2013 (the “date of valuation”).

Definition of Market Value

Our valuation of each of the property interests represents the market value which in accordance with The HKIS Valuation Standards 2012 Edition published by The Hong Kong Institute of Surveyors is defined 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”.

Valuation Basis and Assumption

Our valuation of each of the property interests excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards 2012 by the Hong Kong Institute of Surveyors.

Unless otherwise stated, in the course of our valuation of the property interests situated in the PRC, we have assumed that transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that, any premiums payable have already been fully paid. We have also assumed that the grantees or the users of the property interests have free and uninterrupted rights to use or to assign the property interests for the whole of the unexpired terms as granted. We have relied on the advice given by the Group and the Group's legal advisor, Kai Tong Law Firm, on the PRC laws, regarding the title to each of the property interests in the PRC and the Group's interests in the properties in the PRC.

Method of Valuation

In valuing the properties in Group I, which are currently held by the Group for owner occupation in the PRC, we have adopted the Depreciated Replacement Cost ("DRC") Approach in valuing the property interests. The DRC Approach requires a valuation of the market value of the land in its existing use and an estimate of the new replacement cost of the buildings and structures from which deductions are then made to allow for the age, condition and functional obsolescence. For the land portion, we have made reference to comparable sales evidence as available in the market. The DRC is subject to adequate potential profitability of the business.

The properties in Group II, which are leased by the Group in the PRC, have no commercial value due to prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Source of Information

We have been provided by the Group with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and its legal advisor, Kai Tong Law Firm, in respect of the title to the properties in the PRC. We have also accepted advice given to us on such matters as planning approvals or statutory notices, tenure, identification of land and buildings, completion date of buildings, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Site Inspection

Our Jason Cheng from DTZ Hangzhou Office, inspected the exterior and, wherever possible, the interior of each of the properties in February 2013. We have inspected the exterior and, wherever possible, the interior of each of the properties. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses 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 any onerous nature which could affect their values.

Currency

Unless otherwise stated, all money amounts indicated herein are in Renminbi for the properties in the PRC.

We enclose herewith the summary of valuations and valuation certificates.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited
K.B. Wong
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
M.H.K.I.S., M.R.I.C.S.
Senior Director

Note: Mr. K.B. Wong is a Registered Professional Surveyor (General Practice) who has over 27 years' experience in the valuation of properties in Hong Kong and over 22 years' experience in valuation of properties in the PRC.

SUMMARY OF VALUATIONS

<u>Property</u>	<u>Market value in existing state as at 30 November 2013 attributable to the Group</u>
Group I — Properties held by the Group for owner-occupation in the PRC	
1 An industrial complex situated at No.299 Zhumuyang Road, Balidian Town, Wuxing District, Huzhou City, Zhejiang Province, the PRC (中華人民共和國 浙江省湖州市 吳興區八里店鎮 諸墓漾路299號 一工業大樓)	RMB91,970,000
2 An industrial complex situated at Dayunsi Village, Lincheng Town, Huzhou City, Zhejiang Province, the PRC (中華人民共和國 浙江省湖州市 林城鎮大雲寺村 一工業大樓)	RMB68,670,000
Sub-total:	<u><u>RMB160,640,000</u></u>

Property	Market value in existing state as at 30 November 2013 attributable to the Group
Group II — Properties leased by the Group in the PRC	
3. A warehouse situated at Balidian Food Industrial Park, Huzhou City, Zhejiang Province, the PRC (中華人民共和國 浙江省湖州市 八里店食品工業園區倉庫)	No commercial value
4. An industrial complex situated at Xilong Village, Xilong Country, Anji County, Zhejiang Province, the PRC (中華人民共和國 浙江省安吉縣 溪龍鄉溪龍村工業園區廠房)	No commercial value
5. An industrial complex situated at Taifuhejiagang, Changxing County Zhejiang Province, the PRC (中華人民共和國 浙江省長興縣 太傅賀家崗工業園區廠房)	No commercial value

Property	Market value in existing state as at 30 November 2013 attributable to the Group
6. An industrial complex situated at Zhaquanqiao Village, Daochang County, Zhejiang Province, the PRC (中華人民共和國 浙江省道場鄉 雪泉橋村工業園區廠房)	No commercial value
7. A land plot situated at Laoliangku site, Lincheng Town, Zhejiang Province, the PRC (中華人民共和國 浙江省林城鎮 老糧庫場地工業園區地塊)	No commercial value
8. A workshop situated at the rear base, Balidian Town, Huzhou City, Zhejiang Province, the PRC (中華人民共和國 浙江省 湖州市 八里店鎮 後方基地車間)	No commercial value

<u>Property</u>	<u>Market value in existing state as at 30 November 2013 attributable to the Group</u>
9. A land plot situated beside New 318 National Road, Lincheng Town, Zhejiang Province, the PRC (中華人民共和國 浙江省林城鎮 新318國道旁公路管理站場地)	No commercial value
10. A land plot situated at Phase 1 Shangshi Village, Lincheng Town, Zhejiang Province, the PRC (中華人民共和國 浙江省林城鎮 上獅村第一期場地)	No commercial value
Sub-total:	<u>No commercial value</u>
Grand-total:	<u><u>RMB160,640,000</u></u>

VALUATION CERTIFICATE

Group I — Properties held by the Group for owner-occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2013
1. An industrial complex situated at No.299 Zhumuyang Road, Balidian Town, Wuxing District, Huzhou city, Zhejiang Province, the PRC (中華人民共和國 浙江省 湖州市 吳興區 八里店鎮 諸墓漾路299號 一工業大樓)	<p>The property comprises an industrial complex erected upon 3 parcels of land with a total site area of approximately 65,639 sq.m..</p> <p>The industrial complex comprises 16 buildings with a total gross floor area of approximately 57,271.47 sq.m. completed in between 2005 and 2012.</p> <p>The land use rights of the property have been granted for respective terms all due to expire on 30 November 2055 for industrial use.</p>	The property is occupied by the Group for industrial use.	RMB91,970,000

Notes:

- (1) According to 3 Certificates for the Use of State-owned Land Nos. (2012) 025794, (2012) 025795 and (2013) 000372 issued by People's Government of Huzhou Municipal and People's Government of Wuxing District, the land use rights of the property comprising site area of 65,639 sq.m. have been vested in 湖州老恒和釀造有限公司 ("Lao Heng He") for respective terms all due to expire on 30 November 2055 for industrial use.
- (2) According to 16 Building Ownership Certificates Nos. 110169818, 110169816, 110169817, 11069815, 110169814, 110169813, 110169755, 110169752, 110169749, 110169746, 110173751, 110173748, 110173749, 110173750, 110173752 and 110173753 issued by Huzhou Planning and Construction Bureau, the building ownership of the property with a total gross floor area of 57,271.47 sq.m., have been granted to 湖州老恒和釀造有限公司 ("Lao Heng He").
- (3) According to Business License No. 330503000014773 in November 2013, 湖州老恒和釀造有限公司 ("Lao Heng He") is a limited company with a registered capital of RMB11,000,000 established on 1 July 1979 for an operating period from 9 June 2005 to 8 June 2025.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers which contains, *inter-alia*, the following information:
 - (i) 湖州老恒和釀造有限公司 ("Lao Heng He") has obtained the land use rights and building ownership of the property;
 - (ii) The property is not subject to any mortgage or encumbrance;
 - (iii) 湖州老恒和釀造有限公司 ("Lao Heng He") has the rights to occupy and use the property within the remaining land use term; and
 - (iv) 湖州老恒和釀造有限公司 ("Lao Heng He") can transfer, grant, lease and refinance the property.
- (5) In accordance with the information provided by the Group, the status of title and grant of major approvals and licenses are as follows:

Certificates for the Use of State-owned Land	Yes
Building Ownership Rights Certificates	Yes
Business Licence	Yes

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 30 November 2013</u>
2. An industrial complex situated at Dayunsi Village, Lincheng Town, Huzhou city, Zhejiang Province, the PRC (中華人民共和國 浙江省 湖州市 林城鎮 大雲寺村 一工業大樓)	<p>The property comprises an industrial complex erected upon one parcel of land with a total site area of approximately 61,353 sq.m..</p> <p>The industrial complex comprises a single storey building and a 2-storey building with a total gross floor area of approximately 32,163.60 sq.m. completed in 2011.</p> <p>The land use rights of the property have been granted for a term due to expire on 6 August 2060 for industrial use.</p>	The property is occupied by the Group for industrial use.	RMB68,670,000

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2012) 01004163 issued by People's Government of Zhejiang Changxing, the land use rights of the property with a site area of approximately 61,353 sq.m. have been vested in 湖州老恒和酒業有限公司 ("Lao Heng He Wine") for a term due to expire on 6 August 2060 for industrial use.
- (2) According to 2 Building Ownership Certificates Nos. 00175899 and 00175900 issued by Changxing Town Construction Bureau, the building ownership of the property with a total gross floor area of 32,163.60 sq.m., have been granted to 湖州老恒和酒業有限公司 ("Lao Heng He Wine").
- (3) According to Business License No.330522000054103 dated 21 December 2012, 湖州老恒和酒業有限公司 ("Lao Heng He Wine") was established as a limited company with a registered capital of RMB38,000,000 for an operating period from 20 July 2010 to 19 July 2060.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers which contains, *inter-alia*, the following information:
 - (i) 湖州老恒和酒業有限公司 ("Lao Heng He Wine") has obtained the land use rights and building ownership of the property;
 - (ii) The property is not subject to any mortgage or encumbrance;
 - (iii) 湖州老恒和酒業有限公司 ("Lao Heng He Wine") has the rights to occupy and use the property within the remaining land use term; and
 - (iv) 湖州老恒和酒業有限公司 ("Lao Heng He Wine") can transfer, grant, lease and refinance the property.
- (5) In accordance with the information provided by the Group, the status of title and grant of major approvals and licenses are as follows:

Certificates for the Use of State-owned Land	Yes
Building Ownership Certificates	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Group II — Properties leased by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2013
3. A warehouse situated at Balidian Food Industrial Park, Huzhou City, Zhejiang Province, the PRC (中華人民共和國 浙江省 湖州市 八里店食品工業園區 倉庫)	<p>The property comprises a single storey workshop completed in 2005 with a total gross floor area of 3,000 sq.m..</p> <p>According to the PRC legal opinion, the lessor has obtained the building ownership of the property and is entitled to lease the property. The tenancy agreement is legal and valid. The Group is entitled to use the property. The validity of the lease is not affected though the lease has not been registered at the relevant local building bureau. The lessor agreed to compensate the loss incurred if the lessor cannot provide the relevant documents for title proof, lease registration, etc.</p>	<p>The property is leased from a connected party for a term from 1 March 2012 to 1 December 2017 at an annual rental of RMB15,000.</p>	No commercial value
4. An industrial complex situated at Xilong Village, Xilong Country, Anji County, Zhejiang Province, the PRC (中華人民共和國 浙江省 安吉縣 溪龍鄉 溪龍村工業園區 廠房)	<p>The property comprises a single storey industrial complex completed in 2007 with a total gross floor area of 10,215.70 sq.m. for industrial use.</p> <p>According to the PRC legal opinion, the lessor has obtained the Realty Title Certificate of the property and is entitled to lease the property. The lease registration system has not been established and thus the lease cannot be registered. The tenancy agreement is legal and valid without major legal obstacles. The Group is entitled to use the property.</p>	<p>The property is leased from an independent 3rd party for a term from 1 September 2013 to 31 August 2015 at an annual rental of RMB40,000.</p>	No commercial value

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2013
5. An industrial complex situated at Taifuhejiagang, Changxing County Zhejiang Province, the PRC (中華人民共和國 浙江省 長興縣 太傅賀家崗工業園區 廠房)	<p>The property comprises a single storey industrial complex completed in 1995 with a total gross floor area of 20,000 sq.m. for industrial use.</p> <p>According to the PRC legal opinion, the lessor is entitled to lease the property. According to a confirmation letter dated 21 August 2013, the lessee is entitled to sublet the property to the Group. The Group is entitled to use the property. The validity of the sub-lease is not affected though the lease has not been registered at the relevant local building bureau. The lessor agreed to compensate the loss incurred if the lessor cannot provide the relevant documents for title proof, lease registration, etc.</p>	<p>The property is sub-leased from an independent 3rd party for a term from 1 September 2013 to 31 August 2015 at an annual rental of RMB40,000.</p>	No commercial value
6. An industrial complex situated at Zhaquanqiao Village, Daochang County, Zhejiang Province, the PRC (中華人民共和國 浙江省 道場鄉 雷泉橋村工業園區 廠房)	<p>The property comprises a single storey industrial complex completed in 2007 occupying a total site area of 33,639 sq.m. with a total gross floor area of 33,333.33 sq.m. for industrial use.</p> <p>According to the PRC legal opinion, the lessor has obtained the building ownership of the property and is entitled to lease the property. The tenancy agreement is legal and valid. The Group is entitled to use the property. The validity of the lease is not affected though the lease has not been registered at the relevant local building bureau. The lessor agreed to compensate the loss incurred if the lessor cannot provide the relevant documents for title proof, lease registration, etc.</p>	<p>The property is leased from an independent 3rd party for a term from 1 March 2012 to 1 December 2017 at an annual rental of RMB12,000.</p>	No commercial value

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2013
7. A land plot situated at Laoliangku site, Lincheng Town, Zhejiang Province, the PRC (中華人民共和國 浙江省 林城鎮 老糧庫場地工業園區 地塊)	<p>The property comprises a land plot with site area of 12,064.61 sq.m.</p> <p>According to the PRC legal opinion, the lessor has obtained the land use rights via Land Use Rights Certificate and the lessor is entitled to lease the property. The tenancy agreement is legal and valid. The Group is entitled to use the property.</p>	<p>The property is leased from an independent 3rd party for a term of 5 years from 15 November 2012 to 16 November 2017 at an annual rental of RMB210,000.</p>	No commercial value
8. A workshop situated at the rear base, Balidian Town, Huzhou City, Zhejiang Province, the PRC (中華人民共和國 浙江省 湖州市 八里店鎮 後方基地車間)	<p>The property comprises a single storey workshop completed in 2003 with a total gross floor area of 2,160 sq.m. for workshop use.</p> <p>According to the PRC legal opinion, the lessor has obtained the building ownership of the property and is entitled to lease the property. The tenancy agreement is legal and valid. The Group is entitled to use the property. The validity of the lease is not affected though the lease has not been registered at the relevant local building bureau. The lessor agreed to compensate the loss incurred if the lessor cannot provide the relevant documents for title proof, lease registration, etc.</p>	<p>The property is leased from an independent 3rd party for a term from 1 March 2013 to 28 February 2014 at an annual rental of RMB207,360.</p>	No commercial value

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2013
9. A land plot situated beside New 318 National Road, Lincheng Town, Zhejiang Province, the PRC (中華人民共和國浙江省林城鎮新318國道旁公路管理站場地)	<p>The property comprises a land plot with site area of approximately 15 mu (10,000 sq.m.).</p> <p>According to the PRC legal opinion, the lessor has obtained the land use right of the property and is entitled to lease the property. According to a temporary lease agreement, a sub-lease consent letter and a confirmation letter dated on 28 January 2013, 10 March 2013 and 25 June 2013 respectively, the lessee is entitled to sublet the property to the Group. The tenancy agreement is legal and valid. The Group is entitled to use the property. The lessee agreed to compensate the loss incurred if the lessor cannot provide the relevant documents for title proof, etc.</p>	<p>The property is sub-leased from an independent 3rd party for a term of 5 years from 15 March 2013 to 14 March 2018 at an annual rental of RMB45,000.</p>	No commercial value
10. A land plot situated at Phase 1 Shangshi Village, Lincheng Town, Zhejiang Province, the PRC (中華人民共和國浙江省林城鎮上獅村第一期場地)	<p>The property comprises a land plot with site area of approximately 28 mu (18,666.67 sq.m.).</p> <p>According to the PRC legal opinion, the local authority has provided a confirmation letter dated on 31 December 2013 and confirms that the lessor is entitled to lease the property to the Group. The tenancy agreement is legal and valid. The Group is entitled to use the property.</p>	<p>The property is leased from an independent 3rd party for a term of 10 years from 1 January 2014 to 31 December 2023 at a rental of RMB2,500 per mu from the 1st year and RMB3,000 per mu from the 6th year.</p>	No commercial value