

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 Avista Valuation Advisory Limited, an independent property valuer, in connection with its valuation of the property interests of the Group as at 31 March 2014.



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Date : 13 May 2014

The Board of Directors
Best Pacific International Holdings Limited
8th Floor
West Gate Tower
7 Wing Hong Street
Lai Chi Kok
Kowloon

Dear Sirs,

INSTRUCTIONS

In accordance with the instructions to us to value property interests held by Best Pacific International Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) in the People’s Republic of China (the “PRC”) (details of the properties are more particularly listed in the Summary of Values of this report), 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 interests as at 31 March 2014 (the “valuation date”).

PREMISES OF VALUE

The valuation is our opinion of market value which is defined by the International Valuation Standards of the International Valuation Standards Council and followed by the Hong Kong Institute of Surveyors 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 where the parties had each acted knowledgeably, prudently and without compulsion”.

BASIS OF VALUATION

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 of the Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and the HKIS Valuation Standards on Property (2012 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

Our valuations exclude 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 or costs of sale and purchase or offset for any associated taxes.

CATEGORISATION OF PROPERTY INTERESTS

In the course of our valuation, the appraised property interests have been categorised according firstly to type of interests held by the Company, which in turn being classified into the following groups:

- Group I — Property interests held and occupied by the Group in the PRC
- Group II — Property interests held under development by the Group in the PRC
- Group III — Property interests held for investment by the Group in the PRC
- Group IV — Property interests rented and occupied by the Group in the PRC

VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “continued uses”).

Due to the specific nature and uses of the buildings and structures of the property interests in Group I and Group II that were designated and constructed and the particular location in which they are situated, there are unlikely relevant market comparable sales readily available. Save and except the leased out portion, the property interests have been valued on the basis of depreciated replacement cost.

We would define “depreciated replacement cost” to be our opinion of the market value of the land for its existing use and an estimate of the new replacement costs of the buildings, structures and other site works, including fees and finance charges, from which deductions are then made to allow for the age, condition and obsolescences. The depreciated replacement cost approach generally provides the most reliable indication of value for property in the absence of a known market based on comparable sales. However, it is subject to adequate potential profitability of the business having due regard to the value of the total assets employed and the nature of the operation and also the assumption of continued uses.

We have valued the property interests in Group III by investment method taking into account of the rental income of the leased portion derived from the existing tenancy with due allowance for the reversionary income potential of the tenancy, which is then capitalised into the value at an appropriate capitalisation rate.

We have attributed no commercial value to the property interests in Group IV which is held by the Group under various leases in the PRC. We are of the opinion that no commercial value is attributable to the Group in respect of such property interests, due to inclusion of non-alienation clause or otherwise due to the lack of substantial profit rents and short-term nature of such interests.

TITLE INVESTIGATION

We have been provided by the Group with copy of extract of the title documents and tenancy agreements relating to the property interests. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrances that might be attached to the property interests or any amendments which may not appear on the copies handed to us.

However, we have not searched the original documents to verify ownership or to ascertain any amendment. Due to the current registration system of the PRC under which the registration information is not accessible to the public, no investigation has been made for the title of the property interests in the PRC and the material encumbrances that might be attached. In the course of our valuation, we have relied considerably on the legal opinion given by the Company's PRC legal adviser — 競天公誠律師事務所 (Jingtian & Gongcheng), concerning the validity of title and tenancy of the properties in the PRC.

SITE INVESTIGATION

We have inspected the exterior and, where possible, the accessible portions of the interior of the properties being appraised. The inspection was carried out by Sr Oswald W Y Au, MHKIS (GP) AAPI RPS (GP) and Sr Bosco P F Cheung, MRICS, during the period from August to December in 2013. However, we have not been commissioned to carry out structural survey nor to arrange for an inspection of the services. We are, therefore, not able to report whether the properties are free of rot, infestation or any other structural defects. We formulate our view as to the overall conditions of the properties taking into account the general appearance, the apparent standard and age of fixtures and fittings and the existence of utility services. Hence it must be stressed that whilst we have had regard to you with a view as to whether the buildings are free from defects or as to the possibility of latent defects which might affect our valuation. In the course of our inspection, we did not note any serious defects. No tests were carried out on any of the services. We have assumed that utility services, such as electricity, telephone, water, etc., are available and free from defect.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or pulverized fly ash, or any other deleterious material has been used in the construction of the properties. 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 deleterious material has not been used in the construction of the properties.

We have not been commissioned to carry out detailed site measurements to verify the correctness of the land or building areas in respect of the properties but have assumed that the areas provided to us are correct. Based on our experience of valuation of similar properties, we consider the assumptions so made to be reasonable.

Moreover, we have not carried out any site investigation to determine the suitability of the ground conditions or the services for any property development erected or to be erected thereon. Nor did we undertake archaeological, ecological or environmental surveys for the property interests. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the properties or on adjoining or neighbouring land or that the properties had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have not investigated any industrial safety, environmental and health related regulations in association with the existing and/or planned manufacturing process. It is assumed that all necessary licences, procedures and measures were implemented in accordance with the Government legislation and guidance.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Group or the legal or other professional advisers on such matters as statutory notices, planning approval, zoning, easements, tenure, completion date of building, development proposal, identification of property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore approximations and for reference only. We have not searched original plans, developer brochures and the like to verify them.

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 Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

VALUATION ASSUMPTIONS

For the properties which are held under long term land use rights, we have assumed that transferable land use rights in respect of the property interests at nominal land use fees has been granted and that any premium payable has already been fully settled. Unless stated as otherwise, we have assumed that the respective title owner of the properties have an enforceable title of the property interests and have free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted. Unless noted in the report, vacant possession is assumed for the property concerned.

Moreover, we have assumed that the design and construction of the properties are / will be in compliance with the local planning regulations and requirements and had been / would have been duly examined and approved by the relevant authorities.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation

report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued 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 an onerous nature, which could affect their values.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

LIMITING CONDITIONS

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all amounts are denominated in Renminbi (RMB). Our valuations are summarised below and the valuation certificates are attached.

Yours faithfully
For and on behalf of
Avista Valuation Advisory Limited
Sr Oswald W Y Au
MHKIS (GP) AAPI MSc(RE)
Registered Professional Surveyor (GP)
Director

Note: Mr. Oswald W Y Au holds a Master's Degree of Science in Real Estate from the University of Hong Kong. He is also a member of Hong Kong Institute of Surveyors (General Practice) and Associate Member of Australian Property Institute. In addition, he is a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has about 7 years' experience in the valuation of properties in the PRC and 10 years of property valuation experience in Hong Kong, the U.S., Canada, East and Southeast Asia and Mongolia.

Summary of Values

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

Property	Capital value in existing state as at 31 March 2014 RMB	Interest attributable to the Group	Capital value in existing state attributable to the Group as at 31 March 2014 RMB
1. A parcel of land with various buildings and structures located at Jin Gang Road, Xin Sha Port Industrial Zone, Maer Village, Machong Town, Dongguan City, Guangdong Province, the PRC	333,000,000	100%	333,000,000
Sub-total :	<u>333,000,000</u>		<u>333,000,000</u>

Group II: Property interests held under development by the Group in the PRC

Property	Capital value in existing state as at 31 March 2014 RMB	Interest attributable to the Group	Capital value in existing state attributable to the Group as at 31 March 2014 RMB
2. A parcel of land with structures located at Jin Gang Road, Xin Sha Port Industrial Zone, Masi Village, Machong Town, Dongguan City, Guangdong Province, the PRC	112,000,000	100%	112,000,000
Sub-total :	<u>112,000,000</u>		<u>112,000,000</u>

Group III: Property interests held for investment by the Group in the PRC

Property	Capital value in existing state as at 31 March 2014 RMB	Interest attributable to the Group	Capital value in existing state attributable to the Group as at 31 March 2014 RMB
3. No. 3 Kehui Street One, Kexue Avenue, Science Park, Guangzhou City, Guangdong Province, the PRC	57,000,000	100%	57,000,000
Sub-total :	<u>57,000,000</u>		<u>57,000,000</u>

Group IV: Property interests rented and occupied by the Group in the PRC

Property	Capital value in existing state as at 31 March 2014	Interest attributable to the Group	Capital value in existing state attributable to the Group as at 31 March 2014
	RMB		RMB
4. Two buildings located at Dabu Village, Machong Town, Dongguan City, Guangdong Province, the PRC	No commercial value	—	No commercial value
5. The 2nd, 3rd, 4th and 5th Floors of a building located at Dabu Village, Machong Town, Dongguan City, Guangdong Province, the PRC	No commercial value	—	No commercial value
6. The 1st, 2nd, 3rd, 4th and 5th Floors of a building located at Zhangpengyi Road, Zhangpeng Village, Machong Town, Dongguan City, Guangdong Province, the PRC	No commercial value	—	No commercial value
7. An industrial complex located at Baihao Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, the PRC	No commercial value	—	No commercial value
8. Various buildings within an industrial complex located at Baihao Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, the PRC	No commercial value	—	No commercial value
9. Two buildings within an industrial complex located at Baihao Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, the PRC	No commercial value	—	No commercial value
10. An industrial complex located at Jinzhou Industrial Zone, Humen Town, Dongguan City, Guangdong Province, the PRC	No commercial value	—	No commercial value
11. Unit 1001, No. 47 Jingkou Road, Licang District, Qingdao City, Shandong Province, the PRC	No commercial value	—	No commercial value
	Sub-total :		
	No commercial value	—	No commercial value
	Grand-total :		
	502,000,000		502,000,000

VALUATION CERTIFICATES

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

Property	Description and tenure	Particular of occupancy	Capital value in existing state as at 31 March 2014
1. A parcel of land with various buildings and structures located at Jingang Road, Xin Sha Port Industrial Zone, Maer Village, Machong Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises a piece of land with a site area of approximately 101,728.00 sq.m.. It had been erected with an industrial complex which was completed by 4 phases in the period from 2008 to 2012.</p> <p>The property is situated on the north of Jingang Road (Xibugan Road) near its junction with S3 Guangshenyanjiang Highway. The immediate locality is generally rural in nature intermingled with clusters of industrial complexes.</p> <p>The industrial complex mainly consists of a block of partly 3-storey and partly single storey workshop with ancillary office (Phase 1), a 6-storey workshop (Phase 2), a 7-storey workshop (Phase 3), a 7-storey workshop (Phase 4), 2 sewage plants, 2 boiler rooms, a machine room, a mechanical repairing room, 2 guard houses, a shed for coal deposit, 2 sheds for waste material deposit, open carparking spaces, landscaping areas and fencing walls.</p> <p>In accordance with 4 building ownership certificates, the buildings on the property extend to a total registered gross floor area of approximately 136,200.56 sq.m.</p>	<p>A portion of the machine room of the property with an area of approximately 60 sq.m. is leased to 中國移動通信集團廣東有限公司東莞分公司 (China Mobile Group Guangdong Company Limited, Dongguan Branch), an independent third party to the Group, for a term of 10 years commencing from 20 October 2004 at a monthly rent of RMB 2,500 (exclusive of utility charges).</p> <p>A portion of the workshop of the property with an area of approximately 20,286 sq.m. is leased to 東莞潤信彈性織物有限公司麻涌分公司 (Dongguan New Horizon Elastic Fabric Company Limited, Machong Branch), an indirect wholly-owned subsidiary of the Company, for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 at a monthly rent of RMB 162,288 (exclusive of utility charges).</p> <p>The remainder of the property was occupied by the Group for production, storage, ancillary office uses and carparking as at the valuation date.</p>	RMB333,000,000

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
	Pursuant to the subject state-owned land use rights certificate dated 20 June 2005, the term of land use rights of the property is till 28 March 2055.		
	The permitted user of the land is for industrial use.		

Notes:

Ownership of the property

- In accordance with the legal opinion provided by the Company's PRC legal adviser, the owner of the property as at the valuation date was 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited), an indirect wholly-owned subsidiary of the Company.

Interests held by the Company in the property

- The land use rights of the property is held under a state-owned land use rights certificates issued by 東莞市人民政府 (Dongguan City Municipal Government) to Dongguan Best Pacific Textile Company Limited.

According to 東府國用 (2005) 第特 655 號 (State-owned Land Use Rights Certificate No. 655 of 2005) dated 20 June 2005, the property having a site area of 101,728.00 sq.m. is held by Dongguan Best Pacific Textile Company Limited via an assignment grant and subject to, inter alia, the following terms:

- Use of the Land : Industrial
- Land Area : 101,728.00 sq.m.
- Term : till 28 March 2055

- The building title of the property is held under 4 building ownership certificates issued by 廣東省人民政府 (Guangdong Province Municipal Government) and 東莞市房產管理局 (Dongguan City Building Asset Management Bureau) respectively to Dongguan Best Pacific Textile Company Limited.

According to the 粵房地証字第 C6943979 號 (Building Ownership Certificate No. C6943979) issued by Guangdong Province Municipal Government registered on 30 March 2009, the legitimate owner of the following building erected on the property is Dongguan Best Pacific Textile Company Limited:

<u>Structure Type</u>	<u>No. of Storey</u>	<u>Gross Floor Area (sq.m.)</u>
Mixed steel and concrete	2	23,989.09

According to the 粵房地証字第 C6943978 號 (Building Ownership Certificate No. C6943978) issued by Guangdong Province Municipal Government registered on 30 March 2009, the legitimate owner of the following building erected on the property is Dongguan Best Pacific Textile Company Limited:

<u>Structure Type</u>	<u>No. of Storey</u>	<u>Gross Floor Area (sq.m.)</u>
Mixed steel and concrete	6	31,132.96

According to the 粵房地權証莞字第 0900438897 號 (Building Ownership Certificate No. 0900438897) issued by Dongguan City Building Asset Management Bureau registered on 12 November 2012, the legitimate owner of the following building erected on the property is Dongguan Best Pacific Textile Company Limited:

<u>Structure Type</u>	<u>No. of Storey</u>	<u>Gross Floor Area (sq.m.)</u>
Mixed steel and concrete	6	33,383.56

According to the 粵房地權証莞字第 0900541539 號 (Building Ownership Certificate No. 0900541539) issued by Dongguan City Building Asset Management Bureau registered on 1 August 2013, the legitimate owner of the following building erected on the property is Dongguan Best Pacific Textile Company Limited:

<u>Structure Type</u>	<u>No. of Storey</u>	<u>Gross Floor Area (sq.m.)</u>
Mixed steel and concrete	7	47,694.95

The total gross floor area of the buildings of the property is approximately 136,200.56 sq.m.

4. In accordance with the above-mentioned building ownership certificates, the top floor of Phase 1 and the top floor of Phase 3 with a total gross floor area of approximately 3,160 sq.m. (“Additional Portions”) are not included and have not obtained any proper title certificates. In this regard, we have attributed no commercial value to the Additional Portions.

PRC legal opinion

5. We have been provided with a legal opinion regarding the legality of title of the property issued by PRC legal adviser, which contains, inter alia, the followings:
- The Additional Portions are temporary structures in nature.
 - The property is free from material encumbrances.
 - Dongguan Best Pacific Textile Company Limited has the rights to lease out the subject portion of the property. The subject tenancy agreements are legal, valid and enforceable to both parties.
 - The subject tenancy agreements have been registered with the relevant government authority.

Land use zoning of the property

6. In accordance with the above-mentioned state-owned land use rights certificates dated 20 June 2005, the permitted user of the property is industrial.

Status of major document relating to legality of the Company and property

7. The status of the title and grant of major approvals in accordance with the information provided by the Group are as follows:

Documents relating to property title :

State-owned Land Use Rights Certificate	Yes
Building Ownership Certificates	Yes

Group II: Property interests held under development by the Group in the PRC

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>								
2. A parcel of land with structures located at Jin Gang Road, Xin Sha Port Industrial Zone, Masi Village, Machong Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises a piece of land with a site area of approximately 58,305.20 sq.m. and 2 industrial blocks and various structures which were being constructed thereon as at the valuation date.</p> <p>The property is situated on the north of Jingang Road (Xibugan Road) near its junction with S3 Guangshenyanjiang Highway. The immediate locality is generally rural in nature intermingled with clusters of industrial complexes.</p> <p>The development on the property is scheduled to be completed in 2 phases in 2014. Upon completion, the buildings on the property will have a total gross floor area of approximately 70,433.12 sq.m. and the details are set out as follows:</p> <table border="1" data-bbox="539 1372 858 1574"> <thead> <tr> <th><u>Phase</u></th> <th><u>Planned Gross Floor Area (sq.m.)</u></th> </tr> </thead> <tbody> <tr> <td>5</td> <td>35,575.16</td> </tr> <tr> <td>6</td> <td>34,857.96</td> </tr> <tr> <td>Total:</td> <td><u>70,433.12</u></td> </tr> </tbody> </table>	<u>Phase</u>	<u>Planned Gross Floor Area (sq.m.)</u>	5	35,575.16	6	34,857.96	Total:	<u>70,433.12</u>	The property was under development as at the valuation date.	RMB112,000,000
<u>Phase</u>	<u>Planned Gross Floor Area (sq.m.)</u>										
5	35,575.16										
6	34,857.96										
Total:	<u>70,433.12</u>										

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
	<p>As advised by the Group, the total construction cost for Phase 5 is estimated to be approximately RMB90,000,000, of which RMB89,000,000 had been paid as at the valuation date.</p> <p>Development of Phase 5 was in the stage of 99% completion while Phase 6 was a vacant land as at the valuation date.</p> <p>Pursuant to the subject state-owned land use rights certificate dated 25 January 2011, the term of land use rights of the property is till 18 December 2060.</p> <p>The permitted user of the land is for industrial use.</p>		

Notes:

Ownership of the property

- In accordance with the legal opinion provided by the Company's PRC legal adviser, the owner of the property as at the valuation date, was 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited), an indirect wholly-owned subsidiary of the Company.

Interests held by the Company in the property

- The land use rights of the property is held under a state-owned land use rights certificates issued by 東莞市人民政府(Dongguan City Municipal Government) to Dongguan Best Pacific Textile Company Limited.

According to 東府國用(2011)第特17號 (State-owned Land Use Rights Certificate No. 17 of 2011) dated 25 January 2011, the property having a site area of 58,305.20 sq.m. is held by Dongguan Best Pacific Textile Company Limited via an assignment grant and subject to, inter alia, the following terms:

- | | | | |
|-----|-----------------|---|-----------------------|
| (a) | Use of the Land | : | Industrial |
| (b) | Land Area | : | 58,305.20 sq.m. |
| (c) | Term | : | till 18 December 2060 |

3. Pursuant to 建設用地規劃批准書 2010-06-011 (Construction Land Planning Permit No. 2010-06-011) dated 24 August 2010 issued by 東莞市城建規劃局 (City Construction and Planning Bureau of Dongguan City), permission towards the planning of the property with a site area of approximately 58,305.20 sq.m. has been granted to Dongguan Best Pacific Textile Company Limited.
4. Pursuant to (建設工程規劃許可証建字第 2011-06-1039 號 (Construction Work Planning Permit No. 2011-06-1039) dated 29 August 2011 issued by 東莞市城鄉規劃局 (Urban and Rural Planning Bureau of Dongguan City) to Dongguan Best Pacific Textile Company Limited, a 6-storey building (Phase 5) with a gross floor area of approximately 35,575.16 sq.m. has been approved for construction.
5. Pursuant to 建設工程規劃許可証建字第 2011-06-1040 號 (Construction Work Planning Permit No. 2011-06-1040) dated 29 August 2011 issued by 東莞市城鄉規劃局 (Urban and Rural Planning Bureau of Dongguan City) to Dongguan Best Pacific Textile Company Limited, a 6-storey building (Phase 6) with a gross floor area of approximately 34,857.96 sq.m. has been approved for construction.
6. Pursuant to 建築工程施工許可証 4419002012033101201 (Construction Work Commencement Permit No. 4419002012033101201) dated 31 March 2012 issued by 東莞市住房和城鄉建設局 (Housing and Urban Construction Bureau of Dongguan City), permission by the relevant local authority was given to commence the construction work of a 6-storey building (Phase 5) with a gross floor area of approximately 35,575.16 sq.m.

PRC legal opinion

7. We have been provided with a legal opinion regarding the legality of title of the property issued by PRC legal adviser, which contains, inter alia, the followings:
 - Dongguan Best Pacific Textile Company Limited has obtained the relevant certificates and approval from the government in respect of the construction of Phase 5 of the property.
 - Construction of Phase 6 of the property can be commenced upon the grant of relevant Construction Work Commencement Permit.
 - The property is, inter alia, subject to a mortgage in favour of Hang Seng Bank (China) Limited, Dongguan branch.

Land use zoning of the property

8. In accordance with the above-mentioned state-owned land use rights certificates dated 25 January 2011, the permitted user of the property is industrial.

Status of major document relating to legality of the Company and property

9. The status of the title and grant of major approvals in accordance with the information provided by the Group are as follows:

Documents relating to property title :

State-owned Land Use Rights Certificate	Yes
Construction Land Planning Permit	Yes
Construction Work Planning Permit	Yes
Construction Work Commencement Permit	Yes

Group III: Property interests held for investment by the Group in the PRC

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
3. No. 3 Kehui Street One, Kexue Avenue, Science Park, Guangzhou City, Guangdong Province, the PRC	<p>The property comprises a piece of land with a site area of approximately 1,013.24 sq.m. It had been erected with a 9-storey office building which is of reinforced concrete construction with curtain walling external elevation and was completed in about 2011.</p> <p>The property is situated on the north of Kexueda Road at its junction with Kezhu Road. The immediate locality is a mixed commercial and industrial area.</p> <p>In accordance with 9 real estate ownership certificates all registered on 17 October 2011, the building on the property extends to a total registered gross floor area of approximately 4,553.84 sq.m.</p> <p>Pursuant to the above-mentioned certificates, the property is held for a term of 50 years commencing from 3 August 2009.</p> <p>The permitted user of the land is for office use.</p>	<p>A portion of the building of the property with a gross floor area of approximately 447.12 sq.m. is leased to 廣州市質品服飾有限公司 (Bouthentique), an independent third party to the Group, for a term of 5 years commencing on 1 July 2012 at a monthly rent of RMB15,649.2 for the first year with an increment of 8% each year for the remaining term, exclusive of management fee, charges for water and electricity and other outgoing charges.</p> <p>The remainder of the property was occupied by the Group for office uses as at the valuation date.</p>	RMB57,000,000

Notes:

Ownership of the property

- In accordance with the legal opinion provided by the Company's PRC legal adviser, the owner of the property as at the valuation date, was 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited), an indirect wholly-owned subsidiary of the Group.

Interests held by the Company in the property

2. Pursuant to 9 Real Estate Ownership Certificates (粵房地權証穗字第 0520019909 號 0520019913 號 0520019917 號 0520019919 號 0520019922 號 0520019924 號 0520019926 號 0520019932 號及 0520019936 號) all issued by Guangzhou Municipal Land Resources and Housing Administrative Bureau and registered on 17 October 2011, the land use right of the property with a site area of approximately 1,013.24 sq.m. is held by Dongguan Best Pacific Textile Company Limited for a term of 50 years commencing from 3 August 2009 for office use.
3. According to the above-mentioned 9 Real Estate Ownership Certificates, the legitimate owner of the following building erected on the property is Dongguan Best Pacific Textile Company Limited:

<u>Real Estate Ownership Certificate No.</u>	<u>Structure Type</u>	<u>Portion of the Building</u>	<u>Gross Floor Area (sq.m.)</u>
0520019909	Mixed steel and concrete	101 (G/F)	447.12
0520019913	Mixed steel and concrete	201 (1/F)	513.34
0520019917	Mixed steel and concrete	301 (2/F)	513.34
0520019919	Mixed steel and concrete	401 (3/F)	513.34
0520019922	Mixed steel and concrete	501 (4/F)	513.34
0520019924	Mixed steel and concrete	601 (5/F)	513.34
0520019925	Mixed steel and concrete	701 (6/F)	513.34
0520019932	Mixed steel and concrete	801 (7/F)	513.34
0520019936	Mixed steel and concrete	901 (8/F)	513.34
Total Gross Floor Area			4,553.84

PRC legal opinion

4. We have been provided with a legal opinion regarding the legality of title of the property issued by PRC legal adviser, which contains, inter alia, the followings:
- The property is, inter alia, subject to a mortgage in favour of DBS Bank (China) Limited — Dongguan branch.
 - Dongguan Best Pacific Textile Company Limited has the rights to lease out the subject portion of the property. The subject tenancy agreement is legal, valid and enforceable to both parties.
 - The subject tenancy agreement has been registered with the relevant government authority.

Land use zoning of the property

5. In accordance with the above-mentioned Real Estate Ownership Certificates, the permitted user of the property is for office use.

Status of major document relating to legality of the Company and property

6. The status of the title and grant of major approvals in accordance with the information provided by the Group are as follows:

Documents relating to property title :

Real Estate Ownership Certificates	Yes
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Date and cost of original acquisition

7. We have been informed that the Group has acquired the property via 9 Agreements for Pre-Sale and Purchase (廣州市商品房買賣合同(預售)編號 201004136798, 201004136956, 201004137004, 201004137155, 201004137366, 201004137385, 201004137411, 201004137464, 201004137543) all dated 14 April 2010 at a total consideration of RMB 46,450,753.

Group IV: Property interests rented and occupied by the Group in the PRC

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
4. Two buildings located at Dabu Village, Machong Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises two 7-storey residential buildings completed in about 2005.</p> <p>The property has a total gross floor area of approximately 4,500 sq.m.</p> <p>The property is situated near Chuangxingsi Road and Yanjiangdonger Road. The immediate locality is generally a residential area.</p> <p>The property is leased to 東莞潤信彈性織物有限公司麻涌分公司 (Dongguan New Horizon Elastic Fabric Company Limited, Machong Branch) from 莫校君 (Mo Xiao Jun) for a term of 1 year commencing from 1 August 2013 and expiring on 31 July 2014.</p>	The property was occupied by the Group for staff quarters uses as at the valuation date.	No commercial value

Notes:

1. By a tenancy agreement dated 25 June 2013 made between 莫校君 (Mo Xiao Jun), an independent third party to the Group, as the landlord, and 東莞潤信彈性織物有限公司麻涌分公司 (Dongguan New Horizon Elastic Fabric Company Limited, Machong Branch), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term of 1 year commencing from 1 August 2013 and expiring on 31 July 2014 at a monthly rent of RMB45,000 exclusive of management fee and charges for water and electricity.
2. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - Since the relevant documents in relation to land use rights and building title were not provided by the landlord for review, the subject tenancy agreement may be invalid and unenforceable under the PRC law.
 - The subject tenancy agreement has been registered with the relevant government authority.

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
5. The 2nd, 3rd, 4th and 5th Floors of a building located at Dabu Village, Machong Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises the 2nd, 3rd, 4th and 5th Floors of a 5-storey residential building completed in about 2006.</p> <p>The property has a total gross floor area of approximately 2,300 sq.m.</p> <p>The property is situated near Machongda Road and Yanjiangdonger Road. The immediate locality is generally a residential area.</p> <p>The property is leased to 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited) from 吳華暄 (Wu Hua Xuan) for a term expiring on 31 August 2014.</p>	The property was occupied by the Group for staff quarters uses as at the valuation date.	No commercial value

Notes:

1. By a tenancy agreement made between 吳華暄 (Wu Hua Xuan), an independent third party to the Group, as the landlord, and 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term expiring on 31 August 2014 at a monthly rent of RMB23,000 exclusive of management fee and charges for water and electricity.
2. We have been provided with a legal opinion on the legality of the tenancy agreement to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - Since the relevant documents in relation to land use rights and building title were not provided by the landlord for review, the subject tenancy agreement may be invalid and unenforceable under the PRC law.
 - The subject tenancy agreement has been registered with the relevant government authority.

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
6. The 1st, 2nd, 3rd, 4th and 5th Floors of a building located at Zhangpengyi Road, Zhangpeng Village, Machong Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises the 1st, 2nd, 3rd, 4th and 5th Floors of an 8-storey residential building completed in about 2007.</p> <p>The property has a total gross floor area of approximately 5,829.12 sq.m.</p> <p>The property is situated near Zhangpengyi Road and Mazhanggong Road. The immediate locality is generally a residential area.</p> <p>The property is leased to 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited) from 東莞市麻涌鎮漳澎股份經濟聯合社 (Dongguan City Machong Town Zhangpeng Economic Share Cooperative) for a term of 1 year commencing from 1 January 2014 and expiring on 31 December 2014.</p>	The property was occupied by the Group for staff quarters uses as at the valuation date.	No commercial value

Notes:

1. By a tenancy agreement made between 東莞市麻涌鎮漳澎股份經濟聯合社 (Dongguan City Machong Town Zhangpeng Economic Share Cooperative), an independent third party to the Group, as the landlord, and 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term of 1 year commencing from 1 January 2014 and expiring on 31 December 2014 at a monthly rent of RMB69,949.44 exclusive of management fee and charges for water and electricity.
2. We have been provided with a legal opinion on the legality of the tenancy agreement(s) to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - Since the relevant documents in relation to land use rights and building title were not provided by the landlord for review, the subject tenancy agreement may be invalid and unenforceable under the PRC law.
 - The subject tenancy agreement has been registered with the relevant government authority.

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
7. An industrial complex located at Baihao Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises a 4-storey workshop, the first floor of a 5-storey staff quarters and a single storey storage and was completed in about 2006.</p> <p>The property has a total gross floor area of approximately 24,750 sq.m.</p> <p>The property is situated near Huancunbei Road and Guantai Road. The immediate locality is generally an industrial area.</p> <p>The property is leased to 東莞潤信彈性織物有限公司 (Dongguan New Horizon Elastic Fabric Company Limited) from 東莞市厚街鎮白濠社區居民委員會 (Residents Committee of Houjie Town in Dongguan City) for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016.</p>	The property was occupied by the Group for production and staff quarters uses as at the valuation date.	No commercial value

Notes:

1. By a tenancy agreement dated 1 January 2014 made between 東莞市厚街鎮白濠社區居民委員會 (Residents Committee of Houjie Town in Dongguan City), an independent third party to the Group, as the landlord, and 東莞潤信彈性織物有限公司 (Dongguan New Horizon Elastic Fabric Company Limited), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 at a monthly rent of RMB289,800 exclusive of management fee and charges for water and electricity.
2. We have been provided with a legal opinion on the legality of the tenancy agreement(s) to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - Since the relevant documents in relation to land use rights and building title were not provided by the landlord for review, the subject tenancy agreement may be invalid and unenforceable under the PRC law.
 - The subject tenancy agreement has not been registered with the relevant government authority. However, it will not affect its validity.

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
8. Various buildings within an industrial complex located at Baihao Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises a 5-storey office, a 2-storey workshop and a 4-storey workshop and was completed in 1990s.</p> <p>The property has a total gross floor area of approximately 10,370 sq.m.</p> <p>The property is situated near Guantai Road and Baihao Industrial Road. The immediate locality is generally an industrial area.</p> <p>The property is leased to 東莞潤信彈性織物有限公司 (Dongguan New Horizon Elastic Fabric Company Limited) from 盧煜光 (Lu Yuguang) for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016.</p>	The property was occupied by the Group for production and office uses as at the valuation date.	No commercial value

Notes:

1. By a tenancy agreement dated 1 January 2014 made between 盧煜光 (Lu Yuguang), a related party to the Group, as the landlord, and 東莞潤信彈性織物有限公司 (Dongguan New Horizon Elastic Fabric Company Limited), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 at a monthly rent of RMB108,885 exclusive of management fee and charges for water and electricity.
2. We have been provided with a legal opinion on the legality of the tenancy agreement(s) to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - 盧煜光 (Lu Yuguang) has the rights to lease out the subject portion of the property. The subject tenancy agreement is legal, valid and enforceable to both parties.
 - The subject tenancy agreement has been registered with the relevant government authority.

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
9. Two buildings within an industrial complex located at Baihao Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises two 5-storey staff quarters and was completed in 1990s.</p> <p>The property has a total gross floor area of approximately 7,000 sq.m.</p> <p>The property is situated near Guantai Road and Baihao Industrial Road. The immediate locality is generally an industrial area.</p> <p>The property is leased to 東莞潤信彈性織物有限公司 (Dongguan New Horizon Elastic Fabric Company Limited) from 盧煜光 (Lu Yuguang) for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016.</p>	The property was occupied by the Group for staff quarters uses as at the valuation date.	No commercial value

Notes:

1. By a tenancy agreement dated 1 January 2014 made between 盧煜光 (Lu Yuguang), a related party to the Group, as the landlord, and 東莞潤信彈性織物有限公司 (Dongguan New Horizon Elastic Fabric Company Limited), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 at a monthly rent of RMB73,500 exclusive of management fee and charges for water and electricity.
2. We have been provided with a legal opinion on the legality of the tenancy agreement(s) to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - Since the relevant documents in relation to land use rights and building title were not provided by the landlord for review, the subject tenancy agreement may be invalid and unenforceable under the PRC law.
 - The subject tenancy agreement has been registered with the relevant government authority.

<u>Property</u>	<u>Description and tenure</u>	<u>Particular of occupancy</u>	<u>Capital value in existing state as at 31 March 2014</u>
10. An industrial complex located at Jinzhou Industrial Zone, Humen Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises a 4-storey workshop and a 6-storey staff quarters and was completed in about 1997.</p> <p>The property has a total gross floor area of approximately 5,835 sq.m.</p> <p>The property is situated near Taisha Road and Lianshengbei Road. The immediate locality is generally an industrial area.</p> <p>The property is leased to (東莞潤信彈性織物有限公司虎門分公司) (Dongguan New Horizon Elastic Fabric Company Limited, Humen Branch) from (盧煜光) (Lu Yuguang) for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016.</p>	The property was occupied by the Group for production and staff quarters uses as at the valuation date.	No commercial value

Notes:

1. By a tenancy agreement dated 1 January 2014 made between (盧煜光) (Lu Yuguang), a related party to the Group, as the landlord, and (東莞潤信彈性織物有限公司虎門分公司) (Dongguan New Horizon Elastic Fabric Company Limited, Humen Branch), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 at a monthly rent of RMB67,114 exclusive of management fee and charges for water and electricity.
2. We have been provided with a legal opinion on the legality of the tenancy agreement(s) to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - 盧煜光 (Lu Yuguang) has the rights to lease out the subject portion of the property. The subject tenancy agreement is legal, valid and enforceable to both parties.
 - The subject tenancy agreement has been registered with the relevant government authority.

Property	Description and tenure	Particular of occupancy	Capital value in existing state as at 31 March 2014
11. Unit 1001, No. 47 Jingkou Road, Licang District, Qingdao City, Shandong Province, the PRC	No. 47 Jingkou Road, namely Baitong Building, is a composite complex comprising a 23-storey office building and two 18- storey residential buildings erected over a 3-storey shopping mall and was completed in about 2010.	The property was occupied by the Group for office uses as at the valuation date.	No commercial value
	The property comprises an office unit of the office building of Baitong Building.		
	The property has a gross floor area of approximately 89.59 sq.m.		
	The property is situated near Jingkou Road and Xiangyang Road. The immediate locality is generally a mixed commercial and residential area.		
	The property is leased to 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited) from 韓德峰 (Han De Feng) for a term of 3 years commencing from 10 August 2012 and expiring on 9 August 2015.		

Notes:

- By a tenancy agreement dated 18 July 2012 made between 韓德峰 (Han De Feng), an independent third party to the Group, as the landlord, and 東莞超盈紡織有限公司 (Dongguan Best Pacific Textile Company Limited), an indirect wholly-owned subsidiary of the Company, as the tenant, the property is leased to the Group for a term of 3 years commencing from 10 August 2012 and expiring on 9 August 2015 at a monthly rent of RMB4,500 exclusive of management fee and charges for water and electricity.

2. We have been provided with a legal opinion on the legality of the tenancy agreement(s) to the property issued by the Company's PRC legal advisers, which contains, inter alia, the following:
 - 韓德峰 (Han De Feng) has the rights to lease out the subject portion of the property. The subject tenancy agreement is legal, valid and enforceable to both parties.
 - The subject tenancy agreement has been registered with the relevant government authority.