

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 Sallmanns Limited, an independent valuer, in connection with its valuation as at 31 March 2009 of the property interests of the Group.



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18 June 2009

The Board of Directors
361 Degrees International Limited
Jiangtou Industrial Park
Chendai Town
Jinjiang City
Fujian Province
The PRC

Dear Sirs,

In accordance with your instructions to value the properties in which 361 Degrees International 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 March 2009 (the “**date of valuation**”).

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

We have valued the property interest in Group III which is held for future development by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

Due to the nature of the buildings and structures of property interests in Group I and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available. The property interests have therefore been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimisation”. It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

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

We have attributed no commercial value to the property interests in Group IV, which are leased by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

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 Standards (6th Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

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, Real Estate Title 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 titles 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—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 and that no unexpected cost and delay will be incurred during construction. 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.

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

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

The continued turmoil and instability in the financial markets is continuing to cause volatility and uncertainty in the world's capital markets and real estate markets. There are low levels of liquidity in the real estate market and transaction levels are significantly reduced, resulting in a lack of clarity as to pricing levels and the market drivers. This, combined with a general weakening of sentiment towards real estate, has resulted in a

continual reappraisal of local property prices. Many transactions that are occurring involve vendors who are more compelled to sell, or purchasers who will only buy at discounted prices. In this environment, prices and values are going through a period of heightened volatility whilst the market absorbs the various issues and reaches its conclusions. The period required to negotiate a sale may also extend considerably beyond the normally expected period, which would also reflect the nature and size of the property.

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

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 26 years' experience in the valuation of properties in the PRC and 29 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

Summary of Values

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

| No. | Property | Capital value in existing state as at 31 March 2009 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 March 2009 <i>RMB</i> |
|-----|--|---|--|---|
| 1. | 3 parcels of land, 15 buildings and various structures No. 165 Qianjin Road Jiangtou Village Chendai Town Jinjiang City Fujian Province The PRC | 54,352,000 | 100% | 54,352,000 |
| 2. | A parcel of land and a building located at Gouxu Hou Huatingkou Village Chendai Town Jinjiang City Fujian Province The PRC | 565,000 | 100% | 565,000 |
| | <i>Sub-total:</i> | <u>54,917,000</u> | | <u>54,917,000</u> |

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

| No. | Property | Capital value in existing state as at 31 March 2009 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 March 2009 <i>RMB</i> |
|-----|---|---|--|---|
| 3. | A parcel of land and 5 buildings under construction located at Jiangtou Industrial Park Chendai Town Jinjiang City Fujian Province The PRC | 22,655,000 | 100% | 22,655,000 |
| 4. | 2 parcels of land and 5 buildings under construction (Lot No. GY2008-64) Wuli Industrial Park Jinjiang City Fujian Province The PRC | 41,012,000 | 100% | 41,012,000 |
| | <i>Sub-total:</i> | <u>63,667,000</u> | | <u>63,667,000</u> |

Group III – Property interest held for future development by the Group in the PRC

| No. | Property | Capital value in existing state as at 31 March 2009 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 March 2009 <i>RMB</i> |
|-----|--|---|--|--|
| 5. | A parcel of land (Lot No.2008G24) located at the southeast side of Andun Road Huli Technology and Industry Park Huli District Xiamen City Fujian Province The PRC | 35,361,000 | 100% | 35,361,000 |
| | Sub-total: | <u>35,361,000</u> | | <u>35,361,000</u> |

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

| No. | Property | Capital value in existing state as at 31 March 2009 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 March 2009 <i>RMB</i> |
|-----|---|---|--|--|
| 6. | Levels 8 to 13 Taiyangdao Mansion No.24 Huli Avenue Huli District Xiamen City Fujian Province The PRC | No commercial value | 100% | No commercial value |
| 7. | A parcel of land, 4 warehouses and various structures located at the western side of Qixin Road Nanyong Village Dongyong Town Panyu District Guangzhou City Guangdong Province The PRC | No commercial value | 100% | No commercial value |
| 8. | Units 805 and 806 Taida Times Center No.15 Guanghua Road Chaoyang District Beijing The PRC | No commercial value | 100% | No commercial value |
| | Sub-total: | <u>Nil</u> | | <u>Nil</u> |
| | Grand Total: | <u>153,945,000</u> | | <u>153,945,000</u> |

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 March 2009 RMB |
|-----|---|---|---|---|
| 1. | 3 parcels of land, 15 buildings and various structures No. 165 Qianjin Road Jiangtou Village Chendai Town Jinjiang City Fujian Province The PRC | <p>The property comprises 3 parcels of land with a total site area of approximately 25,811.5 sq.m. and 15 buildings and various structures erected thereon which were completed in various stages between 1993 and 2007.</p> <p>The buildings have a total gross floor area of approximately 71,199.05 sq.m.</p> <p>The buildings and structures mainly include an office building, industrial buildings, dormitories, storage sheds and roads.</p> <p>The land use rights of the property have been granted for terms expiring on 4 February 2058, 6 March 2058 and 30 December 2056 respectively, for industrial use.</p> | The property is currently occupied by the Group for production and ancillary office purposes. | 54,352,000 100% interest attributable to the Group: RMB54,352,000 |

Notes:

- Sanliuyidu (China) Co., Ltd. (“**Sanliuyidu China**”) is an indirect wholly-owned subsidiary of the Company. Fujian Jinjiang Wanshile Shoes Plastic Co., Ltd. (福建省晉江市萬事樂鞋塑有限公司) (“**Wanshile**”) is an independent third party of the Company. Bieke (Fujian) Shoes Co., Ltd. (別克(福建)鞋業有限公司) (“**Bieke Fujian**”) is a company wholly-owned by a connected party of the Company.
- Pursuant to a Transfer Agreement dated 25 May 2008 entered into between Wanshile and Sanliuyidu China, the land use rights of a parcel of land (of the property) with a site area of approximately 2,816.5 sq.m. were transferred to Sanliuyidu China with a consideration of RMB1,076,100.
- Pursuant to 2 Transfer Agreements dated 25 May 2008 entered into between Bieke Fujian and Sanliuyidu China, the land use rights of 2 parcels of land (of the property) with a total site area of approximately 22,995 sq.m. were transferred to Sanliuyidu China with a total consideration of RMB8,785,330.
- Pursuant to 3 State-owned Land Use Rights Certificates—Jin Guo Yong (2008) Di Nos. 00518, 00519 and 00607 (晉國用(2008)第00518, 00519及00607號), the land use rights of 3 parcels of land with a total site area of approximately 25,811.5 sq.m. have been granted to Sanliuyidu China for a term of 50 years expiring on 4 February 2058, 6 March 2058 and 30 December 2056 respectively, for industrial use.
- Pursuant to a Jinjiang Real Estate Transfer Agreement dated 27 March 2008 entered into between Wanshile, Bieke Fujian and Sanliuyidu China, 4 buildings (of the property) with a total gross floor area of approximately 12,588.08 sq.m. were transferred to Sanliuyidu China with a consideration of RMB6,850,000.
- Pursuant to a Transfer Agreement dated 27 May 2008 entered into between Bieke Fujian and Sanliuyidu China, 10 buildings (of the property) with a total gross floor area of approximately 56,201.45 sq.m. were transferred to Sanliuyidu China with a consideration of RMB36,190,000.
- Pursuant to 2 Building Ownership Certificates—Jin Fang Quan Zheng Chen Dai Zi Di Nos. 06-200582-001 and 06-200584-001 (晉房權證陳康字第06-200582-001及06-200584-001號), 15 buildings with a total gross floor area of approximately 71,199.05 sq.m. are owned by Sanliuyidu China.
- Pursuant to a Mortgage Agreement entered into between Jinjiang Qingyang Branch of Industrial Bank Co., Ltd and Sanliuyidu China, the land use rights of the property with a site area of approximately 21,564 sq.m. and 11 buildings of the property with a total gross floor area of approximately 58,610.97 sq.m. are subject to a mortgage for a maximum loan amount of RMB50,000,000.
- Pursuant to a Mortgage Agreement entered into between Jinjiang Branch of China Construction Bank and Sanliuyidu China, the land use rights of the property with a site area of approximately 4,247.5 sq.m. and 4 buildings of the property with a total gross floor area of approximately 12,588.08 sq.m. are subject to a mortgage for a maximum loan amount of RMB11,194,100.

10. 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. Sanliuyidu China has legally obtained the State-owned Land Use Rights Certificates of the property and has the rights to use and occupy the land use rights in accordance with the valid terms stipulated in the State-owned Land Use Rights Certificates; however, due to the land use rights of the property are subject to mortgages, Sanliuyidu China cannot transfer, mortgage or otherwise dispose of the land use rights of the property without consent from the mortgagees; and
 - b. Sanliuyidu China has legally obtained the Building Ownership Certificates of the buildings of the property and has the rights to use and occupy these buildings in accordance with the relevant PRC laws; however, due to these buildings of the property are subject to mortgages, Sanliuyidu China cannot transfer, mortgage or otherwise dispose of these buildings of the property without consent from the mortgagees.
11. We are of the opinion that the capital value of the property as at the date of valuation would be RMB54,352,000 on the assumption that the consents from the mortgagees had been obtained.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 March 2009 RMB |
|-----|--|--|--|--|
| 2. | A parcel of land and a building located at Gouxu Hou Huatingkou Village Chendai Town Jinjiang City Fujian Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 253.87 sq.m. and a building erected thereon which was completed in 1998.</p> <p>The building has a gross floor area of approximately 819.7 sq.m.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 5 September 2058 for industrial use.</p> | The property is currently occupied by the Group as staff quarters. | <p>565,000</p> <p>100% interest attribute to the Group: RMB565,000</p> |

Notes:

1. Sanliuyidu (China) Co., Ltd. ("Sanliuyidu China") is an indirect wholly-owned subsidiary of the Company.
2. Pursuant to a Jinjiang City Rural Collectively-owned Land Use Rights Transfer Contract dated 27 November 2007 entered into between Sanliuyidu China and an independent third party, the land use rights of a parcel of land with a site area of 253.87 sq.m. were transferred to Sanliuyidu China with a consideration of RMB125,665.65.
3. Pursuant to a State-owned Land Use Rights Certificate—Jin Guo Yong (2009) Di No.00067 (晉國用(2009)第00067號), the land use rights of a parcel of land with a site area of approximately 253.87 sq.m. have been granted to Sanliuyidu China for a term of 50 years expiring on 5 September 2058 for industrial use.
4. Pursuant to a Building Transfer Agreement dated 17 October 2008 entered into between Sanliuyidu China and an independent third party, a building with a gross floor area of approximately 819.7 sq.m. was transferred to Sanliuyidu China with a consideration of RMB770,000.
5. Pursuant to a Building Ownership Certificate—Jin Fang Quan Zheng Chen Dai Zi Di No.06-200606 (晉房權證陳埭字第06-200606號), a building with a gross floor area of approximately 819.7 sq.m. is owned by Sanliuyidu China.
6. 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. Sanliuyidu China has legally obtained the State-owned Land Use Rights Certificate of the property and has the rights to use, occupy, transfer, mortgage, lease, or otherwise dispose of the land use rights in accordance with the valid term stipulated in the State-owned Land Use Rights Certificate;
 - b. Sanliuyidu China has legally obtained the Building Ownership Certificate of the property and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the building in accordance with the relevant PRC laws; and
 - c. The property is not subject to mortgage or any other encumbrances.

VALUATION CERTIFICATE

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

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 March 2009 RMB |
|-----|--|--|---|--|
| 3. | A parcel of land and 5 buildings under construction located at Jiangtou Industrial Park Chendai Town Jinjiang City Fujian Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 58,090 sq.m. and 5 buildings which were being constructed thereon as at the date of valuation.</p> <p>The buildings (“CIP”) are scheduled to be completed in December 2009. Upon completion, the buildings will have a total gross floor area of approximately 94,730 sq.m. and the details are set out as follows:</p> | The property is currently under construction. | 22,655,000 |

100% interest attributable to the Group:
RMB22,655,000

| Usage | Planned Gross Floor Area (sq.m.) |
|---------------|----------------------------------|
| Industrial | 40,266 |
| Dormitory | 54,464 |
| Total: | 94,730 |

The total construction cost of the buildings is estimated to be approximately RMB76,136,000, of which RMB174,650 had been paid as at the date of valuation.

The CIP is in various construction stages.

The land use rights of the property have been granted for a term of 50 years expiring on 1 June 2057 for industrial use.

Notes:

- Sanliuyidu (Fujian) Sports Goods Co., Ltd. (“**Sanliuyidu Fujian**”) is an indirect wholly-owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract dated 20 June 2007 entered into between Jinjiang Municipal Bureau of State-owned Land and Resources and Sanliuyidu Fujian, the land use rights of a parcel of land with a site area of approximately 58,090 sq.m. were contracted to be granted to Sanliuyidu Fujian for a term of 50 years expiring on 1 June 2057 for industrial use. The land premium was RMB4,356,750.
- Pursuant to a State-owned Land Use Rights Certificate—Jin Guo Yong (2007) Di No. 01198 (晉國用(2007)第01198號), the land use rights of the property with a site area of approximately 58,090 sq.m. have been granted to Sanliuyidu Fujian for a term of 50 years expiring on 1 June 2057 for industrial use.
- We have not been provided with any construction permits for the CIP, and as confirmed by Sanliuyidu Fujian, it is expected that the construction permits would be obtained by December 2009.
- In the valuation of this property, we have attributed no commercial value to the CIP with a total planned gross floor area of approximately 94,730 sq.m. without any construction permits. However, for reference purpose, we are of the opinion that the capital value of the CIP (excluding the land) as at the date of valuation would be RMB27,519,000 assuming all relevant construction permits have been obtained and the CIP could be freely transferred.

6. Pursuant to a Mortgage Agreement entered into between Jinjiang Branch of China Construction Bank Corporation and Sanliuyidu Fujian, the land use rights of the property with a site area of approximately 58,090 sq.m. are subject to a mortgage for a maximum loan amount of RMB23,476,000.
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. Sanliuyidu Fujian has legally obtained the State-owned Land Use Rights Certificate of the property and has the rights to use and occupy the land use rights in accordance with the valid terms stipulated in the State-owned Land Use Rights Certificate; however, due to the land use rights of the property are subject to a mortgage, Sanliuyidu Fujian cannot transfer, mortgage or otherwise dispose of the land use rights of the property without consent from the mortgagee;
 - b. According to a Legality Confirmation Letter issued by the Jinjiang Municipal Bureau of Planning Construction and Housing Administration, Sanliuyidu Fujian has the legal rights to construct the CIP, and will not be investigated for relevant responsibility; and
 - c. There is no legal impediment for Sanliuyidu Fujian to obtain the relevant Construction Work Planning Permits, Construction Work Commencement Permits of the CIP and Building Ownership Certificates after the CIP has been completed and passed the building completion inspection procedures.
8. We are of the opinion that the capital value of the parcel of land of the property as at the date of valuation would be RMB22,655,000 on the assumption that the consents from the mortgagee had been obtained.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 March 2009 <i>RMB</i> | | | | | | | | |
|---------------|---|--|--------------------------|---|------------|---------|-----------|--------|---------------|----------------|---|--|
| 4. | 2 parcels of land and 5 buildings under construction (Lot No. GY2008-64) Wuli Industrial Park Jinjiang City Fujian Province The PRC | <p>The property comprises 2 parcels of land with a site area of approximately 102,531 sq.m. and 5 buildings which were being constructed thereon as at the date of valuation.</p> <p>The buildings (“CIP”) are scheduled to be completed in June 2009. Upon completion, the buildings will have a total gross floor area of approximately 144,616 sq.m. and the details are set out as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Usage</u></th> <th style="text-align: right;"><u>Planned Gross Floor Area (sq.m.)</u></th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td style="text-align: right;">123,578</td> </tr> <tr> <td>Dormitory</td> <td style="text-align: right;">21,038</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">144,616</td> </tr> </tbody> </table> <p>The total construction cost of the buildings is estimated to be approximately RMB103,565,000, of which RMB50,900,631.71 had been paid as at the date of valuation.</p> <p>The CIP is in various construction stages.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 7 November 2058 for industrial use.</p> | <u>Usage</u> | <u>Planned Gross Floor Area (sq.m.)</u> | Industrial | 123,578 | Dormitory | 21,038 | Total: | 144,616 | The property is currently under construction. | <p>41,012,000</p> <p>100% interest attribute to the Group: RMB41,012,000</p> |
| <u>Usage</u> | <u>Planned Gross Floor Area (sq.m.)</u> | | | | | | | | | | | |
| Industrial | 123,578 | | | | | | | | | | | |
| Dormitory | 21,038 | | | | | | | | | | | |
| Total: | 144,616 | | | | | | | | | | | |

Notes:

- Sanliuyidu (China) Co., Ltd. (“**Sanliuyidu China**”) is an indirect wholly-owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract entered into between Jinjiang Municipal Bureau of State-owned Land and Resources and Sanliuyidu China, the land use rights of a parcel of land with a site area of approximately 102,531 sq.m. were contracted to be granted to Sanliuyidu China for a term of 50 years expiring on 7 November 2058 for industrial use. The land premium was RMB33,330,000.
- Pursuant to 2 State-owned Land Use Rights Certificates—Jin Guo Yong (2009) Di Nos. 00093 and 00094 (晉國用(2009)第00093及00094號), the land use rights of the property with a total site area of approximately 102,531 sq.m. have been granted to Sanliuyidu China for a term of 50 years expiring on 7 November 2058 for industrial use.
- We have not been provided with any construction permits for the CIP, and as confirmed by Sanliuyidu China, it is expected that the construction permits would be obtained by December 2009.
- In the valuation of this property, we have attributed no commercial value to the CIP with a total planned gross floor of approximately 144,616 sq.m. without any construction permits. However, for reference purpose, we are of the opinion that the capital value of the CIP (excluding the land) as at the date of valuation would be RMB82,307,000 assuming all relevant construction permits have been obtained and the CIP could be freely transferred.
- Pursuant to a Mortgage Agreement entered into between Jinjiang Qingyang Branch of Industrial Bank Co., Ltd and Sanliuyidu China, the land use rights of a parcel of land of the property with a site area of approximately 62,641 sq.m. are subject to a mortgage for a maximum loan amount of RMB36,000,000.

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. Sanliuyidu China has legally obtained the State-owned Land Use Rights Certificates of the property and has the legal rights to use and occupy the land use rights in accordance with the valid terms stipulated in the State-owned Land Use Rights Certificates; however, due to the land use rights of the property are subject to a mortgage, Sanliuyidu China cannot transfer, mortgage or otherwise dispose of the land use rights of the property without consent from the mortgagee;
 - b. According to a Legality Confirmation Letter issued by Jinjiang Municipal Bureau of Planning Construction and Housing Administration, Sanliuyidu China has the legal rights to construct the CIP, and will not be investigated for relevant responsibility; and
 - c. There is no legal impediment for Sanliuyidu China to obtain the relevant Construction Work Planning Permits, Construction Work Commencement Permits of the CIP and Building Ownership Certificates after the CIP has been completed and passed the building completion inspection procedures.
8. We are of the opinion that the capital value of the parcels of land of the property as at the date of valuation would be RMB41,012,000 on the assumption that the consents from the mortgagee had been obtained.

VALUATION CERTIFICATE

Group III – Property interest held for future development by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 March 2009 RMB |
|-----|--|---|-----------------------------------|--|
| 5. | A parcel of land (Lot No. 2008G24) located at the southeast side of Andun Road Huli Technology and Industry Park Huli District Xiamen City Fujian Province The PRC | The property comprises a parcel of land with a site area of approximately 7,857.93 sq.m. The land use rights of the property have been granted for a term of 50 years expiring on 31 August 2058 for office use. | The property is currently vacant. | 35,361,000 100% interest attribute to the Group: RMB35,361,000 |

Notes:

1. Sanliuyidu (Xiamen) Industry & Trade Co., Ltd. (“**Sanliuyidu Xiamen**”) is an indirect wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 19 August 2008 entered into between Xiamen Municipal Bureau of Land Resources & Housing Administration and Sanliuyidu Xiamen, the land use rights of a parcel of land with a site area of approximately 7,857.906 sq.m. were contracted to be granted to Sanliuyidu Xiamen for a term of 50 years expiring on 31 August 2058 for office use. The land premium was RMB33,000,000.
3. Pursuant to a State-owned Land Use Rights Certificate—Xia Guo Tu Fang Zheng Di Di No. 00010259 (廈國土房證第地00010259號), the land use rights of a parcel of land with a site area of approximately 7,857.93 sq.m. have been granted to Sanliuyidu Xiamen for a term of 50 years expiring on 31 August 2058 for office use.
4. 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. Sanliuyidu Xiamen had legally obtained the State-owned Land Use Rights Certificate of the property and had the rights to use, occupy, transfer, mortgage, lease or otherwise dispose of the land use rights in accordance with the valid term stipulated in the State-owned Land Use Rights Certificate as at the date of valuation; and
 - b. The property was not subject to mortgage or any other encumbrances as at the date of valuation.

VALUATION CERTIFICATE

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

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 March 2009 RMB |
|-----|---|--|---|--|
| 6. | Levels 8 to 13 Taiyangdao Mansion No.24 Huli Avenue Huli District Xiamen City Fujian Province The PRC | The property comprises the whole of Levels 8 to 13 of a 13-storey office building completed in about 2004. The property has a total leased area of approximately 4,900 sq.m. The property is leased to Sanliuyidu Xiamen from an independent third party for a term of 3 years commencing from 1 August 2008 and expiring on 31 July 2011, at an annual rent of RMB705,600, exclusive of management fees, water and electricity charges. | The property is currently occupied by the Group for office purpose. | No commercial value |

Notes:

1. Sanliuyidu (Xiamen) Industry & Trade Co., Ltd. (“**Sanliuyidu Xiamen**”) is an indirect wholly-owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Sanliuyidu Xiamen from Xiamen City Huli District Government offices Administrative Bureau (廈門市湖裏區機關事務管理局) (the “Lessor”), a branch of Xiamen City Huli District People’s Government, for a term of 3 years commencing from 1 August 2008 and expiring on 31 July 2011 at an annual rent of RMB705,600, exclusive of management fees, water and electricity charges.
3. As confirmed by Sanliuyidu Xiamen, the Tenancy Agreement mentioned in note 2 has not been registered with the relevant local authority.
4. 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:
 - a. The Lessor has obtained 6 Building Ownership Certificates relating to the property and has the legal rights to let out the property;
 - b. As confirmed by the Lessor, the property is not subject to mortgage or any other material encumbrances;
 - c. Due to the allocated land nature of the property, the Lessor should obtain the consent from relevant local government authorities when leasing the property and turn in the land profit generated from rent. The Tenancy Agreement is legal, valid and binding on both signing parties, and its legality will not be affected by the lack of lease registration and the consent from local government authorities to lease the property which is erected on allocated land; and
 - d. The existing use of the property is consistent with the authorised use stipulated in the Building Ownership Certificates.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 March 2009 RMB |
|-----|--|---|--|--|
| 7. | A parcel of land, 4 warehouses and various structures located at the western side of Qixin Road Nanyong Village Dongyong Town Panyu District Guangzhou City Guangdong Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 8,235 sq.m. and 4 warehouses and various structures erected thereon which were completed in about 2000.</p> <p>The 4 warehouses have a total gross floor area of approximately 10,691.5 sq.m.</p> <p>The property is leased to Sanliuyidu China from 2 independent third parties for a term expiring on 15 May 2010, at a monthly rent of RMB117,606.5 inclusive of management fees.</p> | The property is currently occupied by the Group for storage purpose. | No commercial value |

Notes:

1. Sanliuyidu (China) Co., Ltd. (“**Sanliuyidu China**”) is an indirect wholly-owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Sanliuyidu China from 2 independent third parties (the “Lessor”), for a term of one year commencing from 16 May 2008 and expiring on 15 May 2009 at a monthly rent of RMB117,606.5 inclusive of management fees. The Tenancy Agreement had been renewed after the date of valuation.
3. Pursuant to a Tenancy Agreement dated 15 May 2009, the property is leased to Sanliuyidu China from the Lessor, for a term of one year commencing from 16 May 2009 and expiring on 15 May 2010, at a monthly rent of RMB117,606.5 inclusive of management fees.
4. As confirmed by the Company, the Tenancy Agreements mentioned in note 2 and 3 have not been registered with the relevant local authority.
5. 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:
 - a. Pursuant to 4 Real Estate Co-ownership Certificates, the Lessor together with other co-owners are the legal owners of the property; and the Lessor has the legal rights to let out the property with the consent of other co-owners;
 - b. As confirmed by the Lessor, the property is subject to a mortgage in favour of Pancheng Rural Credit Co-operatives of Guangzhou City (廣州市番城農村信用合作社);
 - c. The Tenancy Agreement is legal, valid and binding on both signing parties; and the lack of registration of the Tenancy Agreement will not affect the legality of the Tenancy Agreement; and
 - d. The existing use of the property is consistent with the authorised use stipulated in Real Estate Co-ownership Certificates.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 March 2009 RMB |
|-----|--|---|---|--|
| 8. | Units 805 and 806 Taida Times Center No. 15 Guanghua Road Chaoyang District Beijing The PRC | <p>The property comprises 2 units on the 8th floor of a 16-storey office building completed in about 2006.</p> <p>The property has a total lease area of approximately 445.88 sq.m.</p> <p>The property is leased to Sanliuyidu Fujian from an independent third party for a term of 3 years commencing from 1 March 2009 and expiring on 29 February 2012 at a monthly rent of RMB71,340 inclusive of management fees, exclusive of water and electricity charges.</p> | The property is currently occupied by the Group for office purpose. | No commercial value |

Notes:

1. Sanliuyidu (Fujian) Sports Goods Co., Ltd. ("Sanliuyidu Fujian") is an indirect wholly-owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Sanliuyidu Fujian from an independent third party (the "Lessor") for a term of 3 years commencing from 1 March 2009 and expiring on 29 February 2012 at a monthly rent of RMB71,340 inclusive of management fees, exclusive of water and electricity charges.
3. 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:
 - a. As the Lessor has not obtained Building Ownership Certificates of the property, the legality and validity of the Tenancy Agreement are uncertain. However, the Lessor has obtained State-owned Land Use Rights Certificate of the property;
 - b. Sanliuyidu Fujian may be required to register in local authority for the Tenancy Agreement, and may be liable for a fine not less than RMB200 and not more than RMB500; and
 - c. There would be no material adverse effect on Sanliuyidu Fujian due to the lack of lease registration.