

APPENDIX IV

PROPERTY VALUATION

The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this document received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their opinion of values of the property interests of the Group as at 30 September 2009.



The Directors
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PRC

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[●] 2009

Dear Sirs,

In accordance with your instructions for us to value the properties situated in the People's Republic of China (the “PRC”) and Hong Kong in which China Tontine Wines Group Limited (the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such property interests as at 30 September 2009 for the purpose of incorporation in this document.

Our valuation of each of the properties is our opinion of its 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”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

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In the course of our valuation of the properties in the PRC, we have assumed that, unless otherwise stated, transferable land use rights in respect of the properties for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that, unless otherwise stated, the owners of the properties have proper legal titles and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the terms as granted.

In valuing the property interests in Group I, which are held for owner-occupation by the Group in the PRC, due to the nature of the buildings and structures that were constructed, there are no readily identifiable market comparables, and the buildings and structures cannot be valued on the basis of direct comparison. They have therefore been valued on the basis of their depreciated replacement costs. We would define “depreciated replacement cost” to be our opinion of the land value in its existing use and an estimate of the new replacement costs of the buildings and structures, including professional fees and finance charges, from which deductions are then made to allow for age, condition and functional obsolescence. The depreciated replacement cost approach generally provides the most reliable indication of value for property in the absence of a known market based on market sales.

In valuing the property interest in Group II, which are held under development by the Group in the PRC, we have valued them on the basis that they will be developed and completed in accordance with the Group’s latest development proposals provided to us and by depreciated replacement cost approach with regard to their prevailing cost levels and status of construction as at the date of valuation. We have also assumed that all consents, approvals and licences from the relevant government authorities for the development have been granted without any onerous conditions or undue delay.

In valuing the property interests in Groups III and IV, which are rented by the Group in the PRC and Hong Kong, we have assigned no commercial values to these properties, due either to the short-term nature of the leases or the prohibition against assignments or sub-lettings or otherwise due to the lack of substantial profit rents.

We have been provided 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 very considerable extent on the information given by the Group and its PRC legal adviser, Jingtian & Gongcheng Attorneys at Law, on PRC laws, regarding the titles to the properties. We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

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We have inspected the exterior and, where possible the interior of the properties. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or 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.

In preparing our valuation report, we have complied with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Unless otherwise stated, all money amounts are stated in Renminbi.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited

Charles C K Chan
MSc FRICS FHKIS MCIArb RPS(GP)
Managing Director

Note: Charles C K Chan is a qualified valuer and has about 25 years' experience in the valuation of properties in Hong Kong and has about 20 years' experience in the valuation of properties in the PRC.

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SUMMARY OF VALUES

No.	Property	Capital value in existing state as at 30 September 2009
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Group I – Property interests held for owner-occupation by the Group in the PRC

1.	An industrial complex located at Changchuan Village, Qingshi Town, Tonghua Jian City, Jilin Province, the PRC	RMB1,910,000
2.	An industrial complex located at No. 2199 Tuan Jie Road, Kuaidamao Town, Tonghua County, Tonghua City, Jilin Province, the PRC	RMB33,700,000

<i>Sub-total:</i>		<u>RMB35,610,000</u>

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

3.	A workshop and composite building located at No. 2199 Tuan Jie Road, Kuaidamao Town, Tonghua County, Tonghua City, Jilin Province, the PRC	RMB24,360,000

<i>Sub-total:</i>		<u>RMB24,360,000</u>

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No.	Property	Capital value in existing state as at 30 September 2009
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Group III – Property interests rented by the Group in the PRC

4.	Rooms 2003, 2005 and 2006, Level 20, Tower C, President Building, No. 69 Heping Bei Daji, Heping District, Shenyang City, Liaoning Province, the PRC	No commercial value
5.	A warehouse located at Dong'an Village, Kuaidamao Town, Tonghua County, Tonghua City, Jilin Province, the PRC	No commercial value

Sub-total: _____ Nil

Group IV – Property interest rented by the Group in Hong Kong

6.	Unit 3612 on 36/F, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central Sheung Wan, Hong Kong	No commercial value
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Sub-total: _____ Nil

Grand total RMB59,970,000

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VALUATION CERTIFICATE

Group I – Property interests held for owner-occupation by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2009
1.	An industrial complex located at Changchuan Village, Qingshi Town, Tonghua, Jian City, Jilin Province, the PRC	<p>The property comprises a parcel of land with a site area of approximately 6,555.50 sq.m. (70,563 sq.ft.) on which two buildings and structures completed in 1999 are erected.</p> <p>The buildings comprise a single-storey warehouse and a single-storey office building with a total gross floor area of approximately 752.00 sq.m. (8,095 sq.ft.).</p> <p>The land use rights of the property have been granted for a term expiring on 18 November 2057 for industrial uses.</p>	The property is occupied by the Group as office and warehouse.	RMB1,910,000

Notes:

- Pursuant to the State-owned Land Use Rights Certificate Ji Guo Yong (2007) No. 058210172 issued by the Jian Municipal People’s Government on 19 November 2007, the land use rights of the property with a site area of approximately 6,555.50 sq.m. have been granted to Tonghua Tongtian Winery Co., Ltd (“Tongtian Winery”), an indirect wholly-owned subsidiary of the Company, for a term expiring on 18 November 2057 for industrial uses.
- Pursuant to the Building Ownership Certificate Ji Fang Quan Zheng Quan Zi Nos. 00028520 and 00028521 issued on 15 November 2007, the building ownership of the property with a total gross floor area of approximately 752.00 sq.m. is vested in Tongtian Winery for office and warehouse uses.
- We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Jingtian & Gongcheng, which contains, inter-alia, the following information:
 - the land use rights and the building ownership of the property are legally held by Tongtian Winery;
 - Tongtian Winery is entitled to use, transfer, lease or mortgage the land use rights and the buildings of the property;
 - Tonghua Winery has fully paid the land premium; and
 - the property is free from any mortgages, charges, liens or any form of securities.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2009																		
2.	An industrial complex located at No. 2199 Tuan Jie Road, Kuaidamao Town, Tonghua County, Tonghua City, Jilin Province, the PRC	<p>The property comprises a parcel of land with a site area of approximately 58,343.40 sq.m. (628,008 sq.ft.) on which 9 buildings and structures completed in 2003 are erected.</p> <p>The buildings comprise a 5-storey office building, a 2-storey warehouse building and seven blocks of single-storey industrial and ancillary buildings with a total gross floor area of approximately 12,038.76 sq.m. (129,586 sq.ft.), the breakdown of which is as follows:</p> <table> <tr> <th colspan="3">Approximate gross floor area</th> </tr> <tr> <th></th> <th><i>sq.m.</i></th> <th><i>sq.ft.</i></th> </tr> <tr> <td>Office</td> <td>5,438.28</td> <td>58,538</td> </tr> <tr> <td>Workshop</td> <td>6,094.29</td> <td>65,599</td> </tr> <tr> <td>Ancillary facilities</td> <td>506.19</td> <td>5,449</td> </tr> <tr> <td>Total:</td> <td>12,038.76</td> <td>129,586</td> </tr> </table> <p>The land use rights of the property have been granted for a term expiring on 8 October 2052 for industrial uses.</p>	Approximate gross floor area				<i>sq.m.</i>	<i>sq.ft.</i>	Office	5,438.28	58,538	Workshop	6,094.29	65,599	Ancillary facilities	506.19	5,449	Total:	12,038.76	129,586	The property is occupied by the Group as workshop, warehouse, office and ancillary facilities.	RMB33,700,000
Approximate gross floor area																						
	<i>sq.m.</i>	<i>sq.ft.</i>																				
Office	5,438.28	58,538																				
Workshop	6,094.29	65,599																				
Ancillary facilities	506.19	5,449																				
Total:	12,038.76	129,586																				

Notes:

- Pursuant to the State-owned Land Use Rights Certificate Tong Guo Yong (2007) Zi No. 052112359 issued by Tonghua County People’s Government on 4 December 2007, the land use rights of the property with a site area of approximately 58,343.40 sq.m., have been granted to Tongtian Winery, an indirect wholly-owned subsidiary of the Company, for a term expiring on 8 October 2052 for industrial uses.

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2. Pursuant to the 9 Building Ownership Certificates issued by Tonghua County People’s Government, the building ownership of the property with a total gross floor area of approximately 12,038.76 sq.m. is vested in Tongtian Winery. Details of the said certificates are shown as below:

Building Ownership Certificate No.	Use	Number of Storey	Approximate Gross Floor Area (sq.m.)
Fang Quan Zheng Zi No. 0000019174	Office	5	5,438.28
Fang Quan Zheng Zi No. 0000019175	Warehouse	2	1,386.72
Fang Quan Zheng Zi No. 0000019176	Industrial	1	2,590.83
Fang Quan Zheng Zi No. 0000019177	Industrial	1	545.86
Fang Quan Zheng Zi No. 0000019178	Ancillary	1	340.40
Fang Quan Zheng Zi No. 0000019179	Industrial	3	1,570.88
Fang Quan Zheng Zi No. 0000019180	Ancillary	1	64.89
Fang Quan Zheng Zi No. 0000019181	Ancillary	1	40.84
Fang Quan Zheng Zi No. 0000019182	Ancillary	1	60.06
Total:			12,038.76

3. We have been provided with a legal opinion on the title to the property issued by the Group’s legal adviser, Jingtian & Gongcheng, which contains, inter-alia, the following information:
- (i) the land use rights and the building ownership of the property are legally held by Tongtian Winery;
 - (ii) Tongtian Winery is entitled to use, transfer, lease or mortgage the land use rights and the buildings of the property;
 - (iii) Tonghua Winery has fully paid the land premium; and
 - (iv) the property is free from any mortgages, charges, liens or any form of securities.

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

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 September 2009
3.	A workshop and a composite building located at No. 2199 Tuan Jie Road, Kuaidamao Town, Tonghua County, Tonghua City, Jilin Province, the PRC	<p>The property comprises a parcel of land with a site area of approximately 58,343.40 sq.m. (628,008 sq.ft.) on which two buildings are being constructed.</p> <p>Upon completion, the property will comprise a 2-storey workshop and a 5-storey composite building with a total planned gross floor area of approximately 17,169.00 sq.m. (184,807 sq.ft.). The proposed development is scheduled to be completed by 2009.</p> <p>The land use rights of the property have been granted for a term expiring 8 October 2052 for industrial uses.</p>	The property is under construction.	RMB24,360,000

Notes:

- Pursuant to the State-owned Land Use Rights Certificate Tong Guo Yong (2007) Zi No. 052112359 issued by Tonghua County People's Government on 4 December 2007, the land use rights of the property with a site area of approximately 58,343.40 sq.m., have been granted to Tongtian Winery, an indirect wholly-owned subsidiary of the Company, for a term expiring on 8 October 2052 for industrial uses.
- Pursuant to the Construction Land Planning Permit No. 2002-02 issued by Tonghua County Construction Bureau on 10 March 2002, the construction works of the property with a site area of approximately 58,343.40 sq.m. have been approved for construction on the land of the property.
- Pursuant to the Construction Works Planning Permit No. 2007-27 issued by Tonghua County Construction Bureau on 25 August 2007, the construction project with a construction scale of approximately 17,169.00 sq.m. is in compliance with the requirements of urban planning and is approved for construction.
- Pursuant to the Construction Works Commencement Permit No. 220521200709280201 issued by Tonghua County Construction Bureau on 28 September 2007, the construction works of the property with a construction scale of approximately 17,169.00 sq.m. have been permitted to commence.
- As advised by the Group, the estimated total construction cost for the completion of the proposed development is approximately RMB48,035,210 in which RMB28,700,000 was spent as at the date of valuation. We have taken into account the said amounts in our valuation.
- In our opinion, the capital value of the proposed development as if completed as at 30 September 2009 is RMB48,035,000.
- In the course of our valuation, the underlying land with a site area of approximately 58,343.40 sq.m. has been valued in Property No. 2, thus, we have excluded the valuation of the land in this property.

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8. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Jingtian & Gongcheng, which contains, inter-alia, the following information:
- (i) the land use rights of the property are legally held by Tongtian Winery;
 - (ii) Tongtian Winery is entitled to use, transfer, lease or mortgage the land use rights of the property;
 - (iii) Tongtian Winery has fully paid the land premium;
 - (iv) Tongtian Winery has obtained all the requisite permits/approvals for the construction works of the property; and
 - (v) the property is free from any mortgages, charges, liens or any form of securities.

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Group III – Property interests rented by the Group in the PRC

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 September 2009
4.	Rooms 2003, 2005 and 2006, Level 20, Tower C, President Building, No. 69 Heping Bei Da Street, Heping District, Shenyang City, Liaoning Province, the PRC	<p>The property comprises 3 adjoining office units on Level 20 of a 28-storey commercial building completed in 2003.</p> <p>The total gross floor area of the property is approximately 336.476 sq.m. (3,622 sq.ft.).</p> <p>The property is leased for a term commencing on 20 July 2009 and expiring on 19 July 2011.</p>	The property is occupied by the Group as an office.	No commercial value

Notes:

1. The property is leased to Tongtian Winery (the “leasee”) by Shenyang Maryland International Company Limited Real Estate Development Branch (the “Lessor”), an independent third party, for a term of 2 years commencing on 20 July 2009 and expiring on 19 July 2011 at an annual rental of RMB224,793.78 exclusive of annual property management fee of RMB80,011.34.
2. We have been provided with legal opinion on the title of the property issued by the Group’s PRC legal adviser, Jingtian & Gongcheng, which contains, inter alia, the following information:
 - (i) according to the lease approval document Shen Fang Chu Zu Zhun Zi 【2002】 No. 21 and the Commodity Building Pre-Sale Permit Shen Fang Yu Shou Zi No.01607-1, the Lessor has the rights to lease the property to the lessee;
 - (ii) the lease agreement has been registered; and
 - (iii) the lease agreement is valid, binding and enforceable under the PRC laws.

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No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 September 2009
5.	A warehouse located at Dong'an Village, Kuaidamao Town, Tonghua County, Tonghua City, Jilin Province, the PRC	<p>The property comprises a single-storey warehouse completed in 2004.</p> <p>The gross floor area of the property is approximately 700.00 sq.m. (7,535 sq.ft.).</p> <p>The property is leased for a term commencing on 30 September 2009 and expiring on 29 September 2010.</p>	The property is occupied by the Group for storage use.	No commercial value

Notes:

1. The property is leased to Tonghua Winery by Tonghua Da Sen lin Ye Development Co., Ltd. (the "Lessor") for a term commencing on 30 September 2009 and expiring on 29 September 2010 at an annual rental of RMB170,000.
2. We have been provided with legal opinion on the title to the property issued by the Group's PRC legal adviser, Jingtian & Gongcheng, which contains, inter alia, the following information:
 - (i) the Lessor has not obtained the Building Ownership Certificate of the property;
 - (ii) according to a supplemental agreement executed by the Lessor and the tenant on 30 September 2009, the Lessor will compensate Tonghua Winery for all its losses in case that Tonghua Winery cannot continue use the aforesaid warehouse during the period of the lease due to the lack of building ownership certificate; and
 - (iii) the Lessor cannot provide the relevant building ownership certificate regarding the aforesaid warehouse, the lease may not be protected by relevant PRC governmental authorities; however, Tonghua Winery can ask the Lessor to compensate for its losses in accordance with the aforesaid supplemental agreement.

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Group IV – Property interest rented by the Group in Hong Kong

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 September 2009
6.	Unit 3612 on 36/F, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Sheung Wan, Hong Kong	<p>The property comprises an office unit on 36th Floor of a 30-storey office building erected over a 9-storey common podium completed in 1986.</p> <p>The gross floor area of the property is approximately 2,109.62 sq.m. (22,708 sq.ft.).</p> <p>The property is leased for a term commencing on 15 August 2009 and expiring on 14 August 2011.</p>	The property is occupied by the Group for office use.	No commercial value

Note:

- The property is leased to Rich Treasure Link Limited, a wholly-owned subsidiary of the Company, from Hom Fu Lee Company, Limited, an independent third party, for a term commencing on 15 August 2009 and expiring on 14 August 2011 at an annual rental of HK\$895,488.