

*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 October 2009 of the property interests of the Group.*



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979 King's Road Quarry Bay Hong Kong  
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Licence No: C-030171

14 December 2009

The Board of Directors

**Hontex International Holdings Company Limited**

Dear Sirs,

In accordance with your instructions to value the properties in which Hontex International Holdings Company Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC") and Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 31 October 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 interest of property no. 2 in Group I by direct comparison approach assuming sale of the property 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.

Where, due to the nature of the buildings and structures of property no. 1 in Group I and the particular location in which it is situated, there are unlikely to be relevant market comparable sales readily available and the property interest has therefore been valued on the basis of its 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.

We have attributed no commercial value to the property interests in Group II and Group III, 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 provided with a tenancy agreement relating to the property interest in Group III and have caused searches to be made at the Hong Kong Land Registries. However, we have not searched the original documents to verify the ownership or to ascertain any amendment.

We have been shown copies of various title documents including a State-owned Land Use Rights Certificate, 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 title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers — Jingtian & Gongcheng Attorneys at Law, concerning the validity of the property interests in the PRC.

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

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

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).

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 October 2009 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2009 <i>RMB</i>
1.	A parcel of land, 18 buildings and various structures located at Hongkuan Industrial Village Yangxia Town Fuqing City Fujian Province The PRC	57,726,000	100%	57,726,000
2.	Units 5A and 5B of Yinglong Mansion No. 1358 Yan'an West Road Changning District Shanghai The PRC	25,971,000	100%	25,971,000
	<b>Sub-total:</b>	<b><u>83,697,000</u></b>		<b><u>83,697,000</u></b>

## Group II — Property interest leased and occupied by the Group in the PRC

No. Property	Capital value in existing state as at 31 October 2009 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2009 <i>RMB</i>
3. An office unit on Level 1 and a warehouse on Level 2 of Building No. 8, a dormitory on Level 3 of Building No. 7 and 4 retail shops on Level 1 of a 7-storey commercial building located at the Hi-Tech Park Baogai Town Shishi City Fujian Province The PRC	No commercial value	100%	No commercial value
<b>Sub-total:</b>	<u>Nil</u>		<u>Nil</u>

## Group III — Property interest leased and occupied by the Group in Hong Kong

No. Property	Capital value in existing state as at 31 October 2009 <i>RMB</i>	Interest attributable to the Group	Capital value attributable to the Group as at 31 October 2009 <i>RMB</i>
4. Unit 1601 on 16/F of High Block (Cosco Tower) Grand Millennium Plaza No. 183 Queen's Road Central and No. 33 Wing Lok Street Hong Kong	No commercial value	100%	No commercial value
<b>Sub-total:</b>	<u>Nil</u>		<u>Nil</u>
<b>Grand total:</b>	<u>83,697,000</u>		<u>83,697,000</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 October 2009 RMB																					
1.	A parcel of land, 18 buildings and various structures located at Hongkuan Industrial Village Yangxia Town Fuqing City Fujian Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 111,960 sq.m. and 18 buildings and various ancillary structures erected thereon which were completed in various stages between 1994 and 2008.</p> <p>The buildings have a total gross floor area of approximately 31,756.75 sq.m. and the details of uses and their respective gross floor areas are set out as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: center;">No. of Item</th> <th style="text-align: center;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td style="text-align: center;">2</td> <td style="text-align: right;">17,811.81</td> </tr> <tr> <td>Storage</td> <td style="text-align: center;">5</td> <td style="text-align: right;">6,187.16</td> </tr> <tr> <td>Office</td> <td style="text-align: center;">2</td> <td style="text-align: right;">1,163.01</td> </tr> <tr> <td>Residential</td> <td style="text-align: center;">2</td> <td style="text-align: right;">5,224.10</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: center;"><u>7</u></td> <td style="text-align: right;"><u>1,370.67</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b><u>18</u></b></td> <td style="text-align: right;"><b><u>31,756.75</u></b></td> </tr> </tbody> </table> <p>The structures mainly include road, sewage tanks, bleaching basins, sedimentation basin, swimming pool, boiler shelves, waterproof shelves and water container tower.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 27 February 2045 for industrial use.</p>	Use	No. of Item	Gross Floor Area (sq.m.)	Production	2	17,811.81	Storage	5	6,187.16	Office	2	1,163.01	Residential	2	5,224.10	Ancillary	<u>7</u>	<u>1,370.67</u>	<b>Total</b>	<b><u>18</u></b>	<b><u>31,756.75</u></b>	The property is currently occupied by the Group for production, storage, office, residential and ancillary facilities purposes.	57,726,000  100% interest attributable to the Group: RMB57,726,000
Use	No. of Item	Gross Floor Area (sq.m.)																							
Production	2	17,811.81																							
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Office	2	1,163.01																							
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<b>Total</b>	<b><u>18</u></b>	<b><u>31,756.75</u></b>																							

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate — Rong Yang Xia Guo Yong (2007) Di No. 00908 dated 30 July 2007 and issued by the People's Government of Fuqing City, the land use rights of a parcel of land with a site area of approximately 111,960 sq.m. have been granted to Fuqing Hong Liong Textile Tech Co., Ltd. (福清洪良染織科技有限公司, "Fuqing Hong Liong"), an indirectly wholly-owned subsidiary of the Company, for a term of 50 years expiring on 27 February 2045 for industrial use.
- Pursuant to 5 Building Ownership Certificates (the "BOCs") — Rong Fang Quan Zheng R Zi Di Nos. 073906 to 073910 dated 4 July 2007 and issued by the Construction Bureau of Fuqing City, 14 buildings of the property with a total gross floor area of approximately 27,794.75 are owned by Fuqing Hong Liong.

3. For the remaining 4 buildings of the property with a total gross floor area of approximately 3,962 sq.m., we have not been provided with any title certificates.

As advised by the Group, Fuqing Hong Liong is applying for the relevant title certificates of such buildings and the applications have been submitted in September 2009, the relevant title certificates are expected to be obtained in January 2010 following the normal approval procedures.

4. Pursuant to a Tenancy Agreement entered into between Fuqing Hong Liong and Fuqing Ecotex Hi-tech Outdoor Product Co., Ltd. (福清洪宇運動休閒用品有限公司, “Fuqing Ecotex”), an indirectly wholly-owned subsidiary of the Company, a portion of an industrial building of the property named as Hongyu Mansion under the BOC — Rong Fang Quan Zheng R Zi Di Nos. 073906 with a gross floor area of approximately 480 sq.m. is rented to Fuqing Ecotex from 1 December 2006 for a term of 17 years expiring on 30 November 2023 for production purpose at a monthly rent of RMB15,660. As advised by the Group, the rent is exclusive of water and electricity charges and all other outgoings. (“Lease A”)
5. Pursuant to a Tenancy Agreement entered into between Fuqing Hong Liong and Fuzhou Aike Garment Co., Ltd. (福州艾克服飾有限公司, “Fuzhou Aike”), an indirectly wholly-owned subsidiary of the Company, a portion of a building of the property named as Hongyu Warehouse with a gross floor area of approximately 235 sq.m. is rented to Fuzhou Aike from 20 June 2007 for a term of 30 years expiring on 20 June 2037 at a monthly rent of RMB1,057.5. As advised by the Group, the rent is exclusive of water and electricity charges and all other outgoings. (“Lease B”)
6. Pursuant to a Mortgage Contract of Maximum Amount — 2009 Nian Jian Min Dong Fu Gao Di Zi No. 19, the land use rights of the property and 12 buildings with a total gross floor area of approximately 27,045.49 sq.m. under the BOCs — Rong Fang Quan Zheng R Zi Di Nos. 073906 to 073909 are mortgaged to China Construction Bank Corporation Fuqing Sub-branch.
7. In the valuation of this property, we have attributed no commercial value to the buildings as mentioned in note 3 which have not obtained any proper title certificate. However, for reference purpose, we are of the opinion that the aggregate sum of depreciated replacement cost of the buildings (excluding the land) as at the date of valuation would be RMB3,284,000 assuming all relevant title certificates have been obtained and the buildings could be freely transferred.
8. 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. The Group is legally in possession of the land use rights of the property and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the land use rights of the property in accordance with the PRC laws without obtaining any consent or permit from the government authorities or paying any extra land premium or cost;
  - b. The Group legally and validity holds the ownership rights of the buildings mentioned in note 2 and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of such buildings without obtaining any consent or permit from the government authorities;
  - c. For the buildings mentioned in note 3, the Group will have the rights to occupy and use such buildings in accordance with their prescribed uses on the condition that the relevant title certificates of the buildings have been obtained;
  - d. For the buildings and land use rights mentioned in note 6 which are subject to a mortgage, the Group should obtain the written consent from the mortgagee when transferring, leasing, remortgaging or otherwise disposing of such buildings and land use rights in accordance with the relevant regulations of the PRC laws and stipulations in the Mortgage Contract of Maximum Amount;
  - e. The Tenancy Agreement with respect to Lease A is legal, valid and enforceable;

- f. The validity of the Tenancy Agreement with respect to Lease B is uncertain; there is a risk that the lessee should return the portion of the building under the Tenancy Agreement to the lessor in case that the Tenancy Agreement is invalid. However, the force of independent terms for solving controversies as stipulated in the Tenancy Agreement will not be affected;
- g. The prescribed use of the portion of the building under the Tenancy Agreement of Lease B cannot be confirmed, there is a risk that the Tenancy Agreement might be deemed as invalid in case that the agreed use of the property is not consistent with its prescribed use;
- h. The agreed use of the building under Lease A is consistent with its prescribed use; and
- i. Lease A and Lease B should be registered with the relevant government authorities in accordance with the PRC laws and regulations; however, the legal validity of the Tenancy Agreements would not be affected by the absence of registration.



## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2009 RMB
2.	Units 5A and 5B of Yinglong Mansion No. 1358 Yan'an West Road Changning District Shanghai The PRC	<p>The property comprises 2 office units on Level 5 of a 25-storey office building (exclusive of a 2-storey basement) known as Yinglong Mansion which was completed in about 2004.</p> <p>The property has a total gross floor area of approximately 1,109.83 sq.m.</p> <p>The land use rights of the property have been granted for a term of 50 years commencing from 4 January 2002 and expiring on 3 January 2052 for office use.</p>	<p>Portions of the property with a total gross floor area of approximately 178 sq.m. are leased to two independent third parties for office use, whilst, the remaining portion of the property is currently occupied by the Group for office purpose.</p>	<p>25,971,000</p> <p>100% interest attributable to the Group: RMB25,971,000</p>

## Notes:

1. Pursuant to 2 Real Estate Title Certificates — Hu Fang Di Chang Zi (2007) Di Nos. 014155 and 014156 dated 2 March 2007 and issued by Shanghai Municipal Housing and Land Resources Administration Bureau (上海市房屋土地资源管理局), 2 office units with a total gross floor area of approximately 1,109.83 sq.m. are owned by Fuqing Hong Liong Textile Tech Co., Ltd. (“Fuqing Hong Liong”), an indirectly wholly-owned subsidiary of the Company. The relevant land use rights of the property have been granted to Fuqing Hong Liong for a term of 50 years commencing from 4 January 2002 and expiring on 3 January 2052 for office use.
2. Pursuant to a Tenancy Agreement entered into between Fuqing Hong Liong and Dongcai Printing and Packing Co., Ltd. (東彩印刷包裝有限公司, “Dongcai Printing and Packing”), an independent third party, a portion of Unit 5A of the property with a gross floor area of approximately 178 sq.m. is rented to Dongcai Printing and Packing for a term of 3 years commencing from 12 April 2008 and expiring on 11 April 2011 at a monthly rent of RMB19,491, exclusive of management fee, water and electricity charges.
3. Pursuant to a Tenancy Agreement entered into between Fuqing Hong Liong and Shanghai Qingjia Glasses Trade Co., Ltd. (上海青嘉眼鏡商貿有限公司, “Qingjia Glasses Trade”), an independent third party, a portion of Unit 5B of the property with a gross floor area of approximately 270 sq.m. is rented to Qingjia Glasses Trade for a term of 3 years commencing from 18 November 2009 and expiring on 17 November 2012 at a monthly rent of RMB26,000, exclusive of management fee, water and electricity charges.
4. Pursuant to a Mortgage Contract of Maximum Amount — 2009 Nian Jian Min Dong Fu Gao Di Zi No. 20, the property is mortgaged to China Construction Bank Corporation Fuqing Sub-branch.
5. 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. The Group legally and validly owns the property and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the property without obtaining any consent or permit from the government authorities; and
  - b. The Group should obtain the written consent from the mortgagee when transferring, leasing, remortgaging or otherwise disposing of the property in accordance with the relevant regulations of the PRC laws and stipulations in the Mortgage Contract of Maximum Amount.

## VALUATION CERTIFICATE

## Group II — Property interest leased and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2009 RMB																		
3.	An office unit on Level 1 and a warehouse on Level 2 of Building No. 8, a dormitory on Level 3 of Building No. 7 and 4 retail shops on Level 1 of a 7-storey commercial building located at the Hi-Tech Park Baogai Town Shishi City Fujian Province The PRC	<p>The property comprises an office unit on Level 1 and a warehouse on Level 2 of a 3-storey composite building, a dormitory on Level 3 of a 4-storey residential building and 4 retail shops on Level 1 of a 7-storey commercial building, which were completed in various stages between 2001 and 2003.</p> <p>The property has a total lettable area of approximately 3,504.68 sq.m. The details of uses and their respective lettable areas are set out as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Use</th> <th style="text-align: center;">No. of Item</th> <th style="text-align: center;">Lettable Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td style="text-align: center;">1</td> <td style="text-align: right;">405.00</td> </tr> <tr> <td>Warehouse</td> <td style="text-align: center;">1</td> <td style="text-align: right;">2,019.15</td> </tr> <tr> <td>Dormitory</td> <td style="text-align: center;">1</td> <td style="text-align: right;">938.53</td> </tr> <tr> <td>Retail Shop</td> <td style="text-align: center;">4</td> <td style="text-align: right;">142.00</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>7</b></td> <td style="text-align: right;"><b>3,504.68</b></td> </tr> </tbody> </table>	Use	No. of Item	Lettable Area (sq.m.)	Office	1	405.00	Warehouse	1	2,019.15	Dormitory	1	938.53	Retail Shop	4	142.00	<b>Total</b>	<b>7</b>	<b>3,504.68</b>	The property is currently occupied by the Group for office, storage, retail, and residential purposes.	No commercial value
Use	No. of Item	Lettable Area (sq.m.)																				
Office	1	405.00																				
Warehouse	1	2,019.15																				
Dormitory	1	938.53																				
Retail Shop	4	142.00																				
<b>Total</b>	<b>7</b>	<b>3,504.68</b>																				
		<p>The property is leased to Shishi Maigen Dress Co., Ltd. (“Shishi Maigen”) from Fujian Shishi The Great Group Limited (福建省石獅市大帝集團公司, the “Lessor”) for a term of one year commencing from 1 January 2009 and expiring on 31 December 2009 at an annual rent of RMB325,728, exclusive of management fee, water and electricity charges and all other outgoings.</p>																				

*Notes:*

- Pursuant to a Tenancy Agreement entered into between Shishi Maigen and the Lessor, the property is leased to Shishi Maigen (an indirectly wholly-owned subsidiary of the Company) from the Lessor (an independent third party) for a term of one year commencing from 1 January 2009 and expiring on 31 December 2009 at an annual rent of RMB325,728. As advised by the Group, the rent is exclusive of management fee, water and electricity charges and all other outgoings and Shishi Maigen will renew the Tenancy Agreement upon its expiration.

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:
  - a. The Lessor has not provided to the Group with any title certificate and therefore whether the Lessor is the legal owner of the property and whether there are any security interests being imposed on the property cannot be verified;
  - b. The validity of the Tenancy Agreement with respect to the property is uncertain; there is a risk that the Group should return the property to the Lessor in case that the Tenancy Agreement is invalid. However, the force of independent terms for solving controversies as stipulated in the Tenancy Agreement will not be affected;
  - c. The prescribed use of the property cannot be confirmed, there is a risk that the Tenancy Agreement might be deemed as invalid in case that the agreed use of the property is not consistent with its prescribed use; and
  - d. The lease with respect to the property should be registered with the relevant government authorities in accordance with the PRC laws and regulations; however, the legal validity of the Tenancy Agreement will not be affected due to the absence of registration.

## VALUATION CERTIFICATE

## Group III — Property interest leased and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 October 2009 RMB
4.	Unit 1601 on 16/F of High Block (Cosco Tower) Grand Millennium Plaza No. 183 Queen's Road Central and No. 33 Wing Lok Street Hong Kong	<p>The property comprises a unit on the 16th floor of a 53-storey office building completed in about 1997.</p> <p>The unit has a lettable area of approximately 1,429 sq.ft. (i.e. 132.76 sq.m.).</p> <p>Pursuant to a Tenancy Agreement entered into between the Company, as Tenant, and Joy Wisdom Investment Limited as Landlord (an independent third party), the property is leased by the Group for a term commencing from 16 November 2009 and expiring on 15 December 2011 (with a rent-free period of one month from 16 November 2009 to 15 December 2009) at a monthly rent of HKD45,728 exclusive of government rent, rates, air-conditioning and management charges and all other outgoings.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

*Note:*

1. The registered owner of the property is Joy Wisdom Investment Limited (慧欣投資有限公司) vide Memorial No. 08072301550019 dated 23 July 2008.
2. The property is subject to a Legal Charge and Assignment of Rental in favour of The Bank of East Asia, Limited vide Memorial Nos. 0807230155022 and 08072301550036 on 2 July 2008.