

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 BMI Appraisals Limited, an independent valuer, in connection with its valuations as at 31 December 2009 of the properties held or rented by us located in the People's Republic of China.

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 11-18, 31/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道6-8號瑞安中心3111-18室
Tel電話：(852) 2802 2191 Fax傳真：(852) 2802 0863
Email電郵：info@bmintelligence.com Website網址：www.bmi-appraisals.com

16 March 2010

The Directors

Flyke International Holdings Ltd.

24th Floor, Central Tower

28 Queen's Road Central

Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to your instructions for us to value the properties held by Flyke International Holdings Ltd. (the "Company") and/or its subsidiaries (hereinafter referred to as the "Group") located in the People's Republic of China (the "PRC"). We confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 31 December 2009 (the "date of valuation").

BASIS OF VALUATION

Our valuations of the properties have been based on the Market Value, which is defined as "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".

PROPERTY CATEGORISATIONS

In the course of our valuations, the properties are categorised into the following Groups:—

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

Group II — Properties rented by the Group in the PRC

VALUATION METHODOLOGIES

In valuing the properties in Group I, due to the inherent nature of usage and lack of market sales comparables, the properties have been valued by the Depreciated Replacement Cost Approach. Depreciated replacement cost is defined as “the aggregate amount of the value of the land for the existing use or a notional replacement site in the same locality, and the new replacement cost of the buildings and other site works, from which appropriate deductions may then be made to allow for the age, condition, economic and functional obsolescence and environmental factors etc; all of these might result in the existing property being worth less to the undertaking in occupation than would a new replacement.” This basis has been used due to the lack of an established market upon which to base comparable transactions. However this approach generally furnishes the most reliable indication of value for assets without a known used market.

For the properties in Group II, we are of the opinion that they have no commercial value either because of their non-assignability in the open market or there are prohibitions against subletting and/or assignment contained in the tenancy agreements or the lack of marketable and substantial profit rents.

TITLE INVESTIGATION

For the properties in Group I, we have been provided with copies of title documents and have been advised by the Group that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. In the course of our valuations, we have relied upon the advice and information given by the Group and its PRC legal adviser, Shu Jin Law Firm (廣東信達律師事務所) regarding the titles of the properties. All documents have been used for reference only.

In valuing the interests in the properties rented by the Group in Group II, we have been provided with copies of the tenancy agreements relating to the properties located in the PRC. However, we have not searched the titles of the properties and have not scrutinized the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the properties are sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the values of the properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no forced sale situation in any manner is assumed in our valuations.

VALUATION CONSIDERATIONS

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

In the course of our valuations, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, site/floor areas, identification of the properties and other relevant information.

Except otherwise stated, dimensions, measurements and areas included in the valuation certificates are based on information contained in the leases and other documents provided to us and are therefore only approximations.

We have not carried out detailed on-site measurements to verify the correctness of the site/floor areas in respect of the properties but have assumed that the site/floor areas shown on the documents handed to us are correct.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information so supplied. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale or purchase.

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.

Our valuations have been prepared in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Our valuations have been prepared under the generally accepted valuation procedures and are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REMARKS

We hereby certify that we neither have any present nor any prospective interest in the Group or the appraised properties or the values reported.

Unless otherwise stated, all money amounts stated herein are in Renminbi (RMB) and no allowances have been made for any exchange transfers.

Our summary of values and the valuation certificates are attached herewith.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED

Dr. Tony C.H. Cheng

*BSc, MUD, MBA (Finance), MSc (Eng), PhD (Econ),
MHKIS, MCI Arb, AFA, SIFM, FCIM,
MASCE, MIET, MIEEE, MASME, MIIE*

Managing Director**Joannau W.F. Chan**

BSc. MSc. MRICS MHKIS RPS(GP)

Senior Director

Notes: —

Dr. Tony C.H. Cheng is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 17 years' experience in valuations of properties in Hong Kong and the People's Republic of China.

Ms. Joannau W.F. Chan is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 17 years' experience in valuations of properties in Hong Kong and over 11 years' experience in valuations of properties in the People's Republic of China.

SUMMARY OF VALUES

| <u>No.</u> | <u>Property</u> | Market Value in existing state as at 31 December 2009 |
|---|--|--|
| | | <i>RMB</i> |
| Group I — Properties held by the Group for owner-occupation in the PRC | | |
| 1. | An industrial complex located at Yongpu Industrial Zone, Yangdai, Chendai Town, Jinjiang City, Fujian Province, The PRC 中國福建省晉江市陳埭鎮 洋埭永埔工業區之一個工業區 | 21,600,000 |
| 2. | Export ODM Business Building located at Yongpu Industrial Zone, Yangdai, Chendai Town, Jinjiang City, Fujian Province, The PRC 中國福建省晉江市陳埭鎮 洋埭永埔工業區外貿大樓 | No Commercial Value |
| 3. | Land and various buildings located at Yongpu Industrial Zone, Yangdai, Chendai Town, Jinjiang City, Fujian Province, The PRC 中國福建省晉江市陳埭鎮 洋埭永埔工業區之土地及數幢建築物 | No Commercial Value |
| Sub-Total: | | 21,600,000 |

SUMMARY OF VALUES

| <u>No.</u> | <u>Property</u> | Market Value in existing state as at 31 December 2009 |
|---|--|--|
| | | <i>RMB</i> |
| Group II — Properties rented by the Group in the PRC | | |
| 4. | Shop units 106 and 107, Block 8, Fuxing Trading District, Shuitou Town, Nanan City, Fujian Province, The PRC 中國福建省南安市 水頭鎮福興商貿區 8幢106及107號 商舖單位 | No Commercial Value |
| 5. | Various units in Liuzhou Railway Hotel, No. 20 Li Min District, Fei E Road, Liuzhou City, Guangxi Province, The PRC 中國廣西省柳州市飛鵝路 利民區20號鐵道飯店數個單位 | No Commercial Value |
| | Sub-Total: | <u>Nil</u> |
| | Grand Total: | <u><u>21,600,000</u></u> |

VALUATION CERTIFICATE

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

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Market Value in existing state as at 31 December 2009</u> |
|------------|---|---|---|--|
| | | | | <i>RMB</i> |
| 1. | An industrial complex located at Yongpu Industrial Zone, Yangdai, Chendai Town, Jinjiang City, Fujian Province, The PRC 中國福建省晉江市陳埭鎮洋埭永埔工業區之一個工業區 | The property comprises a parcel of land with a site area of approximately 14,745 sq.m. (or about 158,715.18 sq.ft.) upon which various buildings, completed in various stages between 1998 and 2003, were erected. The total gross floor area (“GFA”) of the property with relevant title documents is approximately 21,266.39 sq.m. (or about 228,911.42 sq.ft.). Details of the buildings of the property are shown in Note 4. The land use rights of the property have been granted for a term commencing on 3 December 2005 and expiring on 3 December 2055 for industrial use. | The property is occupied by the Group for industrial use. | 21,600,000 |

Notes: —

1. Pursuant to a Jinjiang City State-owned Land Use Rights Grant Contract (晉江市國有土地使用權出讓合同), Jin Di He (2007) Xie Zi Di No. 004 (晉地合(2007)協字第004號), entered into between The PRC Fujian Province Jinjiang City Land Resources Bureau (中華人民共和國福建省晉江市國土資源局) and Xinwei (Fujian) Light Industry Co., Ltd. (鑫威(福建)輕工有限公司) (“Xinwei (China)”) on 16 January 2007, the former has agreed to grant the land use rights of the property with a site area of 14,745 sq.m. to Xinwei (China) with the following salient conditions:—
 - (i) Use : Industrial
 - (ii) Nature of Development : Factory and ancillary facilities
 - (iii) Land Use Rights Term : 50 years commencing on 3 December 2005
 - (iv) Plot Ratio : Between 0.8 and 1.35
 - (v) Density : $\leq 39.5\%$
 - (vi) Area for ancillary office and living services facilities : $\leq 1,032$ sq.m. or 7% of total GFA
 - (vii) Green Area : $\geq 30.1\%$
 - (viii) Land Premium : RMB607,126
2. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用權證), Jin Guo Yong (2007) Di No. 00717 (晉國用(2007)第00717號) issued by Jinjiang City People’s Government (晉江市人民政府) dated 29 April 2007, the land use rights of the property with a site area of 14,745 sq.m. have been granted to Xinwei (China) for a term expiring on 3 December 2055 for industrial use.
3. Pursuant to a Building Ownership Certificate (房屋所有權證), Jin Fang Quan Zheng Chen Dai Zi Di No. 06-200575 (晉房權證陳埭字第06-200575號), issued by the Jinjiang City Planning, Construction and Real Estate Administration Bureau (晉江市規劃建設與房產管理局) dated 30 October 2007, the property with a GFA of 21,266.39 sq.m. is legally owned by Xinwei (China) for industrial use.
4. As advised by the Group, details of the buildings of the property are shown as follows:—

| Premises | GFA (sq.m.) |
|-----------------------------|-----------------------|
| Production Factory Building | 13,718.21 |
| Dormitory | 7,395.16 |
| Ancillary Facilities | 153.02 |
| Total: | 21,266.39 |

5. Pursuant to a Business License (企業法人營業執照), No. 350500400000505, Xinwei (China) was established on 17 December 1998 with a registered capital of HK\$12,880,000 and the operation period is effective from 17 December 1998 to 17 December 2018 for the business of producing sole of shoes, clothing, sport shoes and TPR plastics.

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

| | |
|--|-----|
| State-owned Land Use Rights Grant Contract | Yes |
| State-owned Land Use Rights Certificate | Yes |
| Building Ownership Certificate | Yes |
| Business Licence | Yes |

7. The opinion given by the PRC legal adviser to the Group contains, *inter-alia*, the following:—
- a. The land use rights and the buildings of the property are legally owned by Xinwei (China);
 - b. The land use rights and the buildings of the property can be transferred, mortgaged, and disposed of by Xinwei (China);
 - c. All land premium and other costs of ancillary utility services have been settled in full;
 - d. The property is not subject to litigation, fine, attachment, seizure, violation, mortgage or any other material encumbrances; and
 - e. The existing use of the property is in compliance with the local planning regulations and does not violate the PRC laws and regulations.
8. As advised by the Group, Xinwei (China) is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Market Value in existing state as at 31 December 2009</u> <i>RMB</i> |
|------------|---|---|--|--|
| 2. | Export ODM Business Building located at Yongpu Industrial Zone, Yangdai, Chendai Town, Jinjiang City, Fujian Province, The PRC 中國福建省 晉江市 陳埭鎮洋埭 永埔工業區 外貿大樓 | The property comprises a development known as Export ODM Business Building having a parcel of land with a site area of approximately 1,513 sq.m. (or about 16,285.93 sq.ft.) upon which an industrial building completed in about 2008, was erected. The gross floor area (“GFA”) of the property is approximately 3,721 sq.m. (or about 40,052.84 sq.ft.). The land use rights of the property have been granted for a term expiring on 31 January 2060 for industrial use. | Portion of the property is occupied by the Group for temporary office use and the remaining portion is under decoration. | No Commercial Value (Please see Note 7 below) |

Notes: —

1. Pursuant to a transaction confirmation letter (成交確認書) entered into between Jinjiang City Land Resources Bureau (晉江市國土資源局) and Xinwei (Fujian) Light Industry Co., Ltd. (鑫威(福建)輕工有限公司) (“Xinwei (China)”) on 31 December 2009, the land use rights of the land parcel numbered as No. GY2009-76 of the property was contracted to be granted to the latter at a consideration of RMB660,000.
2. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用權證), Jin Guo Yong (2010) Di No. 00194 (晉國用(2010)第00194號) issued by Jinjiang City People’s Government (晉江市人民政府) dated 2 February 2010, the land use rights of the property with a site area of 1,513 sq.m. have been granted to Xinwei (China) for a term expiring on 31 January 2060 for industrial use.
3. Pursuant to a Jinjiang City Planning Construction and Real Estate Administration Bureau Document (晉江市規劃建設與房產管理局文件), Jin Jian Han (2008) No. 185 (晉建函(2008) 185號), issued by Jinjiang City Planning Construction and Real Estate Administration Bureau (晉江市規劃建設與房產管理局) dated by 13 June 2008, the property with a site area of 1,528 sq.m. can be developed by Xinwei (China) with the following salient conditions:
 - (i) Density: Between 30% and 40% (inclusive)
 - (ii) Plot Ratio: Between 1.8 and 2.7 (inclusive)
 - (iii) Use: Industrial
4. Pursuant to a Consent for Partial Modification of Jinjiang City Land Use General Planning Approval (關於同意局部修改晉江市土地利用總體規劃的批覆), Min Zheng Wen (2009) No. 68 (閩政文(2009)68號), issued by Fujian Province People’s Government (福建省人民政府) dated 6 March 2009, the land parcel of the property (the “land”) was classified as Planning and Construction Land District (規劃建設用地區).

5. Pursuant to a letter issued by Jinjiang Administration Bureau of Planning Construction and Real Estate dated 24 July 2009, it was confirmed that Xinwei (China) was making proper use of the building on the land with a site area of 1,528 sq.m. and the land was in compliance with planning requirement.
6. Pursuant to a Business License (企業法人營業執照), No. 350500400000505, Xinwei (China) was established on 17 December 1998 with a registered capital of HK\$12,880,000 and the operation period is effective from 17 December 1998 to 17 December 2018 for the business of producing sole of shoe, clothing, sports shoe and TPR plastics.
7. As at the date of valuation, we cannot attribute any commercial value to the property due to the absence of relevant title documents. For your internal reference purpose, the value of the property on the assumptions that the relevant title documents have been obtained for the property and the property can be freely transferred in the open market would be in the sum of approximately RMB6,100,000.
8. The status of title and grant of major approvals and licences in accordance with the information provided by the Group is as follows:

| | |
|---|-----|
| State-owned Land Use Rights Certificate | Yes |
| Building Ownership Certificate | No |
| Business Licence | Yes |

9. The opinion given by the PRC legal adviser to the Group contains, *inter-alia*, the following:
 - a. Subsequent to the date of valuation, State-owned Land Use Rights Certificate has been granted to Xinwei (China);
 - b. A building with a GFA of 3,721 sq.m. is built on the land of the property without relevant title and planning documents;
 - c. In accordance with the applicable laws and regulations in the PRC, relevant permits and approvals should be obtained before undertaking any construction works on the land. If any construction is commenced in the absence of such approval documents, a penalty of an amount equivalent to 5% to 10% of the cost of the construction works completed will be charged; and
 - d. Xinwei (China) has obtained confirmation issued by Jinjiang Administration Bureau of Planning Construction and Real Estate dated 24 July 2009, confirming that Xinwei (China) was making proper use of the building on the land and the land was in compliance with planning requirement. Upon obtaining the land use rights certificates, Xinwei (China) will be entitled to apply for the relevant building ownership certificate for the building of the property.
10. As advised by the Group, Xinwei (China) is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Market Value in existing state as at 31 December 2009</u> |
|------------|---|--|---|--|
| | | | | <i>RMB</i> |
| 3. | Land and various buildings located at Yongpu Industrial Zone, Yangdai, Chendai Town, Jinjiang City, Fujian Province, The PRC 中國福建省晉江市陳埭鎮洋埭永埔工業區之土地及數幢建築物 | The property comprises a parcel of land with a site area of approximately 18,138 sq.m. (or about 195,237.43 sq.ft.) upon which an office building, a factory building and a dormitory, completed in between 2008 and 2009, were erected. The total gross floor area (“GFA”) of the property is approximately 35,518 sq.m. (or about 382,315.75 sq.ft.). | The property is occupied by the Group for office and industrial uses. | No Commercial Value (Please see Note 3 below) |

Notes: —

- Pursuant to a letter and a Certification (證明) issued by Jinjiang City Land Resources Bureau (晉江市國土資源局) and Jinjiang Administration Bureau of Planning Construction and Real Estate (晉江市規劃建設與房產管理局) respectively, both dated 9 August 2009, it is confirmed that upon payment of the land premium, Feike Sports Products Co., Ltd. (福建省飛克體育用品有限公司) (“Flyke (China)”) can apply for issuance of the land use rights certificates with a site area of 1.8138 hectare, and that the land of the property (the “land”) was in compliance with planning requirements.
- Pursuant to a Business License (企業法人營業執照), No. 350500400010620, Flyke (China) was established on 6 July 2004 with a registered capital of HK\$10,800,000 and the operation period is effective from 6 July 2004 to 5 July 2024 for the business of producing sole of shoes, clothings, sport shoes and TPR plastics.
- As at the date of valuation, we cannot attribute any commercial value to the property due to the absence of relevant title documents. For your internal reference purpose, the value of the property on the assumptions that the relevant title documents have been obtained for the property and the property can be freely transferred together in the open market would be in the sum of approximately RMB50,100,000.

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

| | |
|---|-----|
| State-owned Land Use Rights Certificate | No |
| Building Ownership Certificate | No |
| Business Licence | Yes |

5. The opinion given by the PRC Legal adviser to the Group contains, *inter-alia*, the following:
- Flyke (China) is in the process of obtaining the land use rights certificate of the property;
 - A factory building, a dormitory and an administrative building with a total GFA of 35,518 sq.m. are erected on the land of the property without relevant planning and title documents;
 - In accordance with the applicable laws and regulations in the PRC, relevant permits and approvals should be obtained before undertaking any construction works on the land. If any construction is commenced in the absence of such approval documents, a penalty of an amount equivalent to 5% to 10% of the cost of the construction works completed will be charged; and
 - Flyke (China) has obtained a letter and a Certification (證明) issued by Jinjiang City Land Resources Bureau (晉江市國土資源局) and Jinjiang Administration Bureau of Planning Construction and Real Estate (晉江市規劃建設與房產管理局) respectively, both dated 9 August 2009, confirming that upon payment of the land premium, Flyke (China) can apply for issuance of the land use rights certificates, and that the land was in compliance with planning requirements. Upon obtaining the land use rights certificates, Flyke (China) will be entitled to apply for the relevant building ownership certificates for the three buildings of the property.
6. As advised by the Group, Flyke (China) is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

Group II — Properties rented by the Group in the PRC

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Market Value in existing state as at 31 December 2009</u> |
|------------|--|--|---|--|
| | | | | <i>RMB</i> |
| 4. | Shop Units 106 and 107, Block 8, Fuxing Trading District, Shuitou Town, Nanan City, Fujian Province, The PRC 中國福建省南安市水頭鎮福興商貿區8幢106及107號商舖單位 | The property comprises 2 shop units on Ground Floor in a 6-storey residential/commercial building completed in about 2007. As per tenancy agreement provided by the Group, the total gross floor area of the property is approximately 130 sq.m. (or about 1,399.32 sq.ft.). Pursuant to a tenancy agreement entered into between an independent third-party landlord and Flyke Sports Products Co., Ltd. (福建省飛克體育用品有限公司) (“Flyke (China)”) dated 10 March 2008, the property is leased to Flyke (China) for a term commencing on 10 March 2008 and expiring on 10 March 2011 at a monthly rent of RMB110,000 for the first 2 years and the monthly rent will be reviewed at the beginning of the 3 rd year. The contract will be terminated if the reviewed rent cannot be agreed. | The property is occupied by the Group for commercial use. | No Commercial Value |

Notes: —

1. According to the above-mentioned tenancy agreement, the tenant of the property is Feike (China), which is a wholly-owned subsidiary of the Company.
2. The PRC legal adviser opines that the Permit for Leasing Property is under application by the owner of the property. However, in accordance with “PRC Contract Regulations”, the aforesaid incompleting procedure will not affect the legality and enforceability of the tenancy agreement and Flyke (China) will not be forced to move out the property and can occupy the property in accordance with the tenancy agreement.

VALUATION CERTIFICATE

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Market Value in existing state as at 31 December 2009</u> <i>RMB</i> |
|------------|--|--|---|--|
| 5. | Various units in Liuzhou Railway Hotel, No. 20 Li Min District, Fei E Road, Liuzhou City, Guangxi Province, The PRC 中國廣西省柳州市飛鵝路利民區20號鐵道飯店數個單位 | The property comprises various units in a medium-rise commercial building completed in about 2000's. As per copy of tenancy agreement, the total gross floor area of the property is approximately 90 sq.m. (or about 968.76 sq.ft.). Pursuant to a tenancy agreement entered into between an independent third-party landlord and LIN Changze (林長澤) dated 21 April 2009, the property is leased to LIN Changze (林長澤) for a term commencing on 1 April 2009 and expiring on 31 March 2010 at a monthly rent of RMB3,900. | The property is occupied by the Group for commercial use. | No Commercial Value |

Notes: —

1. According to the above-mentioned tenancy agreement, the tenant of the property is LIN Changze (林長澤), which is the representative of the Group to sign the tenancy agreement.
2. The PRC legal adviser opines that the Permit for Leasing Property is under application by the owner of the property. However, in accordance with “PRC Contract Regulations”, the aforesaid incompleting procedure will not affect the legality and enforceability of the tenancy agreement and the Group will not be forced to move out the property and can use the property in accordance with the tenancy agreement.