

The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this prospectus received from Savills Valuation and Professional Services Limited, in connection with their opinion of values of the properties of the Group as at 31 August 2011.



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24 November 2011

The Directors
Sitoy Group Holdings Limited
4-5th Floor
Genplas Factory Building
No.56 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value the properties situated in Hong Kong and the People's Republic of China (the "PRC") in which Sitoy Group Holdings Limited (hereinafter referred to the "Company") and its subsidiaries and associated companies (hereinafter together 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 the properties as at 31 August 2011 (the "date of valuation") for the purpose of incorporation in a Public Offering 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.

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

In valuing the properties in Group I, which are held for owner-occupation by the Group in the PRC, due to the specific purposes for which the buildings of the properties have been constructed, there are no readily available market comparables of the same kind of the properties and thus the properties cannot be valued on the basis of direct comparison. They have been valued on the basis of the depreciated replacement cost (“DRC”). We would define “DRC” for these purposes to be our opinion of the land value in its existing use and an estimate of the new replacement costs of the buildings, including fees and finance charges, from which deductions are then made to allow for physical, functional and environmental obsolescences. While in valuing the land, we have adopted the Direct Comparison Approach by making reference to the comparable market transactions as available in the relevant market assuming sales with vacant possession. In valuing Property 1, we have also taken into account the rental income generated from portion of the property, and the construction cost incurred and the outstanding construction cost to be expended to complete the portion which was under construction as at the date of valuation. The DRC is subject to adequate potential profitability of the business.

In valuing the properties in Group II and III, which are held for future development by the Group in the PRC and for owner-occupation by the Group in Hong Kong, we have valued the properties by reference to comparable market transactions assuming sale with the benefit of vacant possession.

In valuing the property in Group IV, which is held for investment by the Group in Hong Kong, we have made reference to the comparable market transactions as available in the market.

In valuing the properties in Group V, which are rented by the Group in the PRC, we have assigned no commercial values to such properties due mainly to the prohibitions against assignment or sub-letting otherwise due to the lack of substantial profit rents.

We have caused searches to be made at the Land Registry for the properties in Hong Kong. However, we have been provided with extracts of documents relating to the properties in the PRC. However, we have not searched the original documents to verify the ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we relied to a very considerable extent on the information given by the Group and its legal adviser, King & Wood PRC Lawyers, regarding the titles to the properties in the PRC. We have also accepted information and advice from the Group on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, development proposal, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided by the Group to us and are therefore only approximations. No on-site measurements have been taken. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We are also advised by the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

We have inspected the exterior and where possible, the interior of the properties. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made, 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. We have also not carried out investigations on site to determine the suitability of the ground conditions and the services for any future development.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on 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 monetary amounts stated in Renminbi (“RMB”) for the properties in the PRC and Hong Kong dollars (“HK\$”) for the properties in Hong Kong.

We enclose herewith our summary of values and valuation certificate.

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

Anthony C K Lau
MHKIS MRICS RPS(GP)
Director

Note: Anthony C K Lau is a qualified valuer and has over 19 years’ experience in the valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUES

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

No.	Property	Capital value in existing state as at 31 August 2011
1.	Yingde Factory (portion for owner-occupation) located at Dongbao Industrial District, Donghua Town, Yingde, Guangdong Province, PRC	RMB155,200,000
2.	Main Factory (Dongguan) located at the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	RMB49,000,000
	<i>Group I Sub-total:</i>	<u>RMB204,200,000</u>

Group II — Property held by the Group for future development in the PRC

3.	Yingde Factory (portion for future development) located at Dongbao Industrial District, Donghua Town, Yingde, Guangdong Province, PRC	RMB16,400,000
	<i>Group II Sub-total:</i>	<u>RMB16,400,000</u>

Group III — Property held by the Group for owner occupation in Hong Kong

4.	4th Floor and 5th Floor, Genplas Factory Building, No. 56 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	HK\$22,600,000
	<i>Group III Sub-total:</i>	<u>HK\$22,600,000</u>

Group IV — Property held by the Group for investment in Hong Kong

5.	Shop 125 on Ground Floor, Yuet Wu Villa, No. 2 Wu Sau Street, Tuen Mun, New Territories, Hong Kong	HK\$1,400,000
	<i>Group IV Sub-total:</i>	<u>HK\$1,400,000</u>

Group V — Properties rented by the Group in the PRC

No.	Property	Capital value in existing state as at 31 August 2011
6.	Room 1006 (portion), Level 10, Tower South of G.T. Land Plaza, No. 8 Zhu Jiang Xi Road, Zhu Jiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC	No commercial value
7.	Room B119, Basement Level 1 of G.T. Land Plaza, Nos. 85 and 87 Hua Cheng Da Dao Road, Zhu Jiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC	No commercial value
8.	Rooms 1D141-1D142, 1st Floor, Grandview Mall, No. 228 Tian He Road, Tianhe District, Guangzhou, Guangdong Province, PRC	No commercial value
9.	Qiaotou Branch (Dongguan) Facilities located at the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	No commercial value
10.	Xiabian Branch (Dongguan) Facilities located at Xiabian Industrial District, Houjie Town, Dongguan, Guangdong Province, PRC	No commercial value
11.	Qiaonan Branch (Dongguan) Facilities located at the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	No commercial value
12.	Chongxincunwei Tian Xin Village (a parcel of land including a fish pond) Donghua Town, Yingde, Guangdong Province, PRC	No commercial value

No.	Property	Capital value in existing state as at 31 August 2011
13.	Shop No. 17, Level 1, Ginza Mall, No. 48 Dongzhimen Waidajie, Dongcheng District, Beijing, PRC	No commercial value
14.	Shop 203A, Level 2, U-Town Shopping Center, No.5 Sanfengbeili, Chaoyang District, Beijing, PRC	No commercial value
15.	Shop No. 101C of a shopping centre located at No. 22799 Jingshi Road, Jinan, Shandong Province, PRC	No commercial value
16.	Shop 01-50/51, Level 1, SCP Plaza, Nonglin Road, Futian District, Shenzhen, Guangdong Province, PRC	No commercial value
17.	Room 1702, Dehe Building, Lie De Garden, No. 3 Haiwen Road, Zhu Jiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC	No commercial value
18.	Room 1003, Block D of Gao De Zhi De Apartment, No. 16 Xiancun Road, Tianhe District, Guangzhou, Guangdong Province, PRC	No commercial value
19.	3th to 8th Floors of a dormitory building located at Bo Lan Avenue, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	No commercial value

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at 31 August 2011</u>
20.	Levels 1 to 4 of a building located at No. 148 Qiaotou South Road, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	No commercial value
21.	Level 1 of a building located at No. 124 Qiaotou South Road, the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	No commercial value
22.	Level 1 of a building located at No. 126 Qiaotou South Road, the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	No commercial value
<i>Group V Sub-total:</i>		<u>Nil</u>

VALUATION CERTIFICATE

Group I — Properties 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 31 August 2011
1.	Yingde Factory (portion for owner-occupation) located at Dongbao Industrial District, Donghua Town, Yingde, Guangdong Province, PRC	<p>Yingde Factory (“the Development”) comprises a parcel of land with a site area of approximately 191,741.49 sq.m. (2,063,905 sq.ft.).</p> <p>The property comprises portion of land of the Development with a site area of approximately 98,409.49 sq.m. (1,059,280 sq.ft.) on which 12 single to 6-storey buildings with a total gross floor area of 78,694.92 sq.m. (847,027 sq.ft) completed in between 2009 and 2010 are erected and two 2 to 4-storey buildings with a total gross floor area of 9,300.21 sq.m. (100,107 sq.ft.) which are under construction and scheduled to be completed in Q4 2011.</p> <p>The land use rights of the property have been granted for a term expiring on 15 October 2058 for industrial use.</p>	Portion of the property with a total gross floor area of approximately 373.00 sq.m. is subject to four tenancy agreements at a total monthly rental of RMB3,600 whilst the remaining portion of the property is occupied by the Group for office, workshop, warehouse, dormitory and canteen uses.	RMB155,200,000

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate No. Yingde Guo Yong (2008) 1210 issued by the Yingde People’s Government on 28 October 2008, the land use rights of the Development with a site area of approximately 191,741.49 sq.m. have been granted to Sitoy (Yingde) Leather Products Co., Ltd. (“Sitoy Yingde”), a wholly-owned subsidiary of the Company, for a term expiring on 15 October 2058 for industrial use.
2. Pursuant to the Construction Land Planning Permit No. 2007087 issued by Donghua Yingde City Donghua Town Construction Planning Management Office on 19 October 2007, the construction works of the property with a site area of approximately 42,824.90 sq.m. has been approved for construction on the land of the property.

3. Pursuant to the Construction Works Planning Permit No. 2007087 issued by Donghua Yingde City Donghua Town Construction Planning Management Office on 19 October 2007, the construction works with a construction scale of approximately 143,033.10 sq.m. has been approved for construction.
4. Pursuant to the Construction Works Commencement Permit No. [2010] (086) Bubao issued by Yingde City Housing and Urban-rural Construction Bureau on 25 January 2011, the construction works of the property with a construction scale of approximately 9,300.21 sq.m. have been approved to commence construction.
5. According to the 12 Building Ownership Certificates issued by Yingde Real Estate Bureau, the building ownership of the property with a total gross floor area of approximately 78,694.92 sq.m. is vested in Sitoy Yingde. Details of the certificates are as follows:

<u>Building Ownership Certificate No.</u>	<u>Use</u>	<u>Number of Storey</u>	<u>Approximate Gross Floor Area</u>	<u>Issuance Date</u>
			(sq.m.)	
Yue Fang Di Zheng Zi No.C6845811 (粵房地證字第C6845811號) ...	Residential	6	7,174.99	24 April 2009
Yue Fang Di Quan Zheng Ying De Zi No. 0800100141 (粵房地權證英德字 第0800100141號)	Dormitory	6	8,771.64	2 July 2010
Yue Fang Di Quan Zheng Ying De Zi No. 0800100143 (粵房地權證英德字 第0800100143號)	Dormitory	6	8,771.64	2 July 2010
Yue Fang Di Quan Zheng Ying De Zi No. 0800100148 (粵房地權證英德字 第0800100148號)	Dormitory	6	8,771.64	2 July 2010
Yue Fang Di Zheng Zi No.C5964242 (粵房地證字第C 5964242號) ..	Canteen	4	5,420.20	24 April 2009
Yue Fang Di Quan Zheng Ying De Zi No. 0800100146 (粵房地權證英德字 第0800100146號)	Workshop	1	3,232.48	2 July 2010
Yue Fang Di Zheng Zi No.C5964245 (粵房地證字第C 5964245號) ..	Workshop	4	9,514.22	24 April 2009

<u>Building Ownership Certificate No.</u>	<u>Use</u>	<u>Number of Storey</u>	<u>Approximate Gross Floor Area</u> (sq.m.)	<u>Issuance Date</u>
Yue Fang Di Zheng Zi No. C5964244 (粵房地證字第C 5964244號) ..	Workshop	4	9,689.08	24 April 2009
Yue Fang Di Quan Zheng Ying De Zi No. 0800100145 (粵房地權證英德字 第0800100145號)	Workshop	3	5,745.34	2 July 2010
Yue Fang Di Quan Zheng Ying De Zi No. 0800100144 (粵房地權證英德字 第0800100144號)	Workshop	3	5,745.34	2 July 2010
Yue Fang Di Quan Zheng Ying De Zi No. 0800100147 (粵房地權證英德字 第0800100147號)	Workshop	3	5,502.35	2 July 2010
Yue Fang Di Zheng Zi No. 5964243 (粵房地證字第C 5964243號) ..	Office	1	356.00	24 April 2009
		Total:	78,694.92	

6. Pursuant to a tenancy agreement, the top floor of a dormitory of the property with a gross floor area of approximately 26.00 sq.m. is leased to an independent third party for a term of 10 years commencing on 31 March 2010 and expiring on 30 March 2020 at an annual rent of RMB8,400.
7. Pursuant to a tenancy agreement, portion of the property with a gross floor area of approximately 140.00 sq.m. is leased to an independent third party for a term commencing on 1 October 2009 and expiring on 31 March 2014 at a monthly rent of RMB1,400.
8. Pursuant to a tenancy agreement, portion of the property with a gross floor area of approximately 50.00 sq.m. is leased to an independent third party for a term commencing on 1 November 2009 and expiring on 31 October 2011 at a monthly rent of RMB600.
9. Pursuant to a tenancy agreement, portion of the property with a gross floor area of approximately 150.00 sq.m. is leased to an independent third party for a term commencing on 1 October 2010 and expiring on 31 March 2014 at a monthly rent of RMB900.

10. As advised by the Group, the estimated total construction cost for completion of the portion of the property under construction is approximately RMB8,663,000 in which RMB8,000,000 was spent as at the date of valuation. We have taken into account the said amounts in our valuation.
11. In our opinion, the capital value of the portion of the property which is under construction as if completed as at the date of valuation is approximately RMB11,400,000.
12. We have been provided with a legal opinion on the title of the property issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:
 - i. Sitoy Yingde has legally obtained the land use rights of the property;
 - ii. Regarding the portion of the property which is leased, the rights for Sitoy Yingde to occupy, use, lease, transfer or dispose of such portion of the property is subject to the restriction of the tenancy agreements;
 - iii. Apart from the leased portion of the property, Sitoy Yingde has the rights to occupy, use, lease, transfer or dispose of the remaining portion of the property;
 - iv. Regarding the portion of the property which is under construction, Sitoy Yingde has obtained all necessary permits according to the actual construction progress;
 - v. According to confirmation from the Group, the land of the property is not subject to any mortgage; and
 - vi. The tenancy agreements stated in Notes 6, 7, 8 and 9 have been registered, and are valid and legally binding.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2011
2.	Main Factory (Dongguan) located at the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises three parcels of land with a total site area of approximately 34,138.00 sq.m. (367,461 sq.ft.) on which 11 buildings and ancillary facilities completed in between 1996 and 2003 are erected.</p> <p>As advised by the Group, the total gross floor area of the property is approximately 42,485.77 sq.m. (457,317 sq.ft.), the breakdown of which is as follows:</p>	The property is occupied by the Group for office, workshop, warehouse, canteen and dormitory uses.	RMB49,000,000 (Please see Note 3)

Use	Approximate Gross Floor Area	
	(sq.m.)	(sq.ft.)
Office	3,498.22	37,655
Workshop	6,666.32	71,756
Dormitory	20,646.75	222,242
Warehouse	9,466.60	101,898
Composite building	2,207.88	23,766
Total:	<u>42,485.77</u>	<u>457,317</u>

The land use rights of the property have been granted for terms expiring on 18 June 2059 and 17 March 2055 respectively for industrial use.

Notes:

1. Pursuant to three State-owned Land Use Certificates issued by the People's Government of Dongguan on 23 February 2010 and 24 January 2011, the land use rights of the property with a total site area of approximately 34,138.00 sq.m. have been granted to Dongguan Shidai Leather Products Factory Co., Ltd. (東莞時代皮具製品廠有限公司) ("Sitoy Dongguan"), a wholly-owned subsidiary of the Company. Details of the certificates are as follows:

No.	Certificate No.	Site Area (sq.m.)	Use	Expiry Date
1	Dong Fu Guo Yong (2010) Di Te 56	9,102.20	Industrial	18 June 2059
2	Dong Fu Guo Yong (2010) Di Te 57	8,646.40	Industrial	18 June 2059
3	Dong Fu Guo Yong (2011) Di Te 11	16,389.40	Industrial	17 March 2055
Total:		<u>34,138.00</u>		

2. Pursuant to 8 Building Ownership Certificates Yue Fang Di Quan Zheng Guan Zi Di Nos. 1600298394, 1600298397, 1600298395, 1600298396 1600298398, 1600298399, 1600298400 and 1600298401 all issued by Dongguan Real Estate Administration Bureau on 29 August 2011, the building ownership of portion of the property with a total gross floor area of 28,614.79 is legally vested in Sitoy Dongguan.
3. In the course of our valuation, we have ascribed no commercial value to the buildings of the property with a total gross floor area of approximately 13,870.98 sq.m. as the Group has not obtained any valid title documents regarding such buildings of the property as at the date of valuation. For reference purpose, the depreciated replacement cost of such buildings of the property as at the date of valuation was approximately RMB13,000,000.
4. We have been provided with a legal opinion on the title of the property issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:
- i. Sitoy Dongguan has legally obtained the land use rights of the property and is entitled to occupy, use, lease, transfer or dispose of the land use rights of the property;
 - ii. The three buildings of the property as mentioned in Note 3 have been constructed without obtaining the Construction Works Planning Permits and Construction Works Commencement Permit and they are occupied and used without Final Examination of Construction Works and Fire Safety Examination, there is a risk that Sitoy Dongguan may be penalized under relevant PRC laws when they apply for the Building Ownership Certificate;
 - iii. Sitoy Dongguan has obtained the Building Ownership Certificates for eight buildings and is applying for the Building Ownership Certificates for the remaining three buildings. According to the letter issued by relevant offices of the People's Government of Dongguan Houjie Town, there exist no material legal impediments for Dongguan Sitoy to obtain the Building Ownership Certificates; and
 - iv. According to confirmation from the Group, the land of the property is not subject to any mortgage.

Group II — Property held by the Group for future development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2011
3.	Yingde Factory (portion for future development) located at Dongbao Industrial District, Donghua Town, Yingde, Guangdong Province, PRC	Yingde Factory (“the Development”) comprises a parcel of land with a site area of approximately 191,741.49 sq.m. (2,063,905 sq.ft.). The property comprises a portion of land of the Development with a site area of approximately 93,332.00 sq.m. (1,004,626 sq.ft.) for future development.	The property is a vacant site.	RMB16,400,000
		The land use rights of the property have been granted for a term expiring on 15 October 2058 for industrial use.		

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate No. Yingde Guo Yong (2008) 1210 issued by the Yingde People’s Government on 28 October 2008, the land use rights of the Development with a site area of approximately 191,741.49 sq.m. have been granted to Sitoy (Yingde) Leather Products Co., Ltd. (“Sitoy Yingde”), a wholly-owned subsidiary of the Company, for a term expiring on 15 October 2058 for industrial use.
2. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, which contains, inter-alia, the following information:
 - i. Sitoy Yingde has legally obtained the land use rights of the property; and
 - ii. According to confirmation from the Group, the land of the property is not subject to any mortgage.

Group III — Property held by the Group for owner occupation in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2011
4.	4th Floor and 5th Floor, Genplas Factory Building, No. 56 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong 4/34th shares of and in Kwun Tong Inland Lot No. 58	Genplas Factory Building is a 12-storey industrial building completed in 1965. The property comprises the entire 4th Floor and 5th Floor of the building with a total saleable area of approximately 836.31 sq.m. (9,002 sq.ft.). Kwun Tong Inland Lot No.58 is held under a Government Lease for a term which expired on 27 June 1997 and had been extended to 30 June 2047 without premium but at an annual Government rent at 3% of the rateable value for the time being of the lot.	The property is occupied by the Group for storage and ancillary office uses.	HK\$22,600,000

Notes:

1. The registered owner of the property is Sitoy (Hong Kong) Handbag Factory Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to a legal charge, a further charge and a deed of variation and further charge in favour of Hang Seng Bank Limited.
3. The property lies within an area zoned “Other Specified uses (Business)” under the approved Kwun Tong (South) Outline Zoning Plan No. S/K14S/16 dated 15 July 2008.

Group IV — Property held by the Group for investment in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2011
5.	Shop 125 on Ground Floor, Yuet Wu Villa, No. 2 Wu Sau Street, Tuen Mun, New Territories, Hong Kong 478/24,515th of 5,172/ 202,883rd shares of and in Tuen Mun Town Lot No. 360	Yuet Wu Villa comprises 15 residential towers and a commercial block completed in 1993. The property comprises a shop on the Ground Floor of the commercial block with a saleable area of approximately 23.88 sq.m. (257 sq.ft.). Tuen Mun Town Lot No.360 is held under New Grant No. 2988 for a term from 13 March 1992 to 30 June 2047 at an annual Government rent at 3% of the rateable value for the time being of the lot.	The property is vacant.	HK\$1,400,000

Notes:

1. The registered owner of the property is Sitoy (Hong Kong) Handbag Factory Limited, a wholly-owned subsidiary of the Company.
2. The property lies within an area zoned “Residential (Group A)” under the approved Tuen Mun Outline Zoning Plan No. S/TM/28 dated 3 May 2011.

Group V — Properties rented by the Group in the PRC

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
6.	Room 1006 (portion), Level 10, Tower South of G.T. Land Plaza, No. 8 Zhu Jiang Xi Road, Zhu Jiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC	<p>The property comprises portion of an office unit on Level 10 of a 20-storey commercial building completed in 2010.</p> <p>The gross floor area of the property is approximately 400.79 sq.m. (4,314.07 sq.ft.).</p> <p>The property is leased to Guangzhou Sitoy Leather Goods Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 November 2010 and expiring on 31 December 2013.</p>	The property is occupied by the Group for office use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement and supplemental agreement (the “Tenancy Agreements”), the property is leased to Sitoy Retailing Limited (“Sitoy Retailing”) from an independent third party (the “Lessor”) for a term commencing on 1 November 2010 and expiring on 31 December 2013 at a monthly rental of approximately RMB64,126.4 exclusive of management fee.
2. Pursuant to the Agreement for Transfer of Tenancy Agreement entered into between the Lessor, Sitoy Retailing Limited and Sitoy Guangzhou on 2 June 2011, all parties agreed that the rights and obligation stated in the Tenancy Agreements in Note 1 to be transferred from Sitoy Retailing Limited to Sitoy Guangzhou starting from 1 February 2011.
3. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor has obtained the authorization from the owner of the property and is entitled to lease the property; and
 - ii. The tenancy agreement has been registered, and is valid and legally binding.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
7.	Room B119, Basement Level 1 of G.T. Land Plaza, Nos. 85 and 87 Hua Cheng Da Dao Road, Zhu Jiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC	<p>The property comprises a retail unit on Basement Level 1 of a 7-storey commercial building completed in 2010.</p> <p>The gross floor area of the property is approximately 212.98 sq.m. (2,292.49 sq.ft.).</p> <p>The property is leased to Guangzhou Sitoy Leather Goods Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 15 December 2010 and expiring on 14 January 2014.</p>	The property is occupied by the Group for retail use.	No commercial value

Notes:

1. Pursuant to the tenancy agreement and supplemental agreement (the “Tenancy Agreements”), the property is leased to Sitoy Retailing Limited (“Sitoy Retailing”) from an independent third party (the “Lessor”) for a term commencing on 15 December 2010 and expiring on 14 January 2014 at a monthly rental of approximately RMB63,894 from 15 January 2011 to 14 January 2013 and RMB69,006 from 15 January 2013 to 14 January 2014 exclusive of management fee.
2. Pursuant to the Agreement for Transfer of Tenancy Agreement entered into between the Lessor, Sitoy Retailing Limited and Sitoy Guangzhou on 24 June 2011, all parties agreed that the rights and obligation stated in the Tenancy Agreements in Note 1 to be transferred from Sitoy Retailing Limited to Sitoy Guangzhou starting from 4 January 2011.
3. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The owner of the property has not obtained the Building Ownership Certificate but has obtained the Construction Works Planning Permit. According to relevant interpretation by the Supreme People’s Court, the tenancy agreement is deemed to be valid; and
 - ii. The tenancy agreement has been registered, and is valid and legally binding.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
8.	Rooms 1D141-1D142, 1st Floor, Grandview Mall, No. 228 Tian He Road, Tianhe District, Guangzhou, Guangdong Province, PRC	The property comprises a retail unit on 1st Floor of a 9-storey commercial building completed in 2004. As advised by the Group, the gross floor area of the property is approximately 188.00 sq.m. (2,023.62 sq.ft.). The property is leased to Guangzhou Sitoy Leather Goods Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 March 2011 and expiring on 28 February 2014.	The property is occupied by the Group for retail use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Guangzhou from an independent third party (the “Lessor”) for a term commencing on 1 March 2011 and expiring on 28 February 2014 at either a fixed monthly rental or a turnover rental, whichever is greater. The rental details are as follows:

Year	Fixed Monthly Rent (RMB)	Turnover Monthly Rent (%)
1	188,000	Based on 22% of the turnover
2	203,040	Based on 23% of the turnover
3	219,208	Based on 24% of the turnover

2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor has obtained the Building Ownership Certificate and is entitled to lease the property; and
 - ii. The tenancy agreement has been registered, and is valid and legally binding.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
9.	Qiaotou Branch (Dongguan) Facilities located at the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises a 3-storey workshop, a 5-storey dormitory and canteen mixed-use building and a 3-storey office and workshop mixed-use building.</p> <p>As advised by the Group, the total gross floor area of the property is approximately 8,962.00 sq.m. (96,467 sq.ft.).</p>	<p>The property is occupied by the Group for workshop, canteen, dormitory, warehouse and office uses.</p>	No commercial value
		<p>The property is leased to Dongguan Shidai Leather Products Factory Co., Ltd. (“Sitoy Dongguan”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 September 2007 and expiring on 30 August 2017.</p>		

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Dongguan from an independent third party (the “Lessor”) for a term commencing on 1 September 2007 and expiring on 30 August 2017 at a monthly rental of approximately RMB83,346.60, with rental review every 5 years at an increment of 10%.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for Management of Tenancy for Commodity Housing, Dongguan Sitoy may be subject to a fine for the non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
10.	Xiabian Branch (Dongguan) Facilities located at Xiabian Industrial District, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises a 4-storey workshop and warehouse mixed-use building, a 4-storey canteen and dormitory mixed-use building and a 5-storey office and dormitory mixed-use building.</p> <p>The total gross floor area of the property is approximately 9,325.50 sq.m. (100,380 sq.ft.).</p> <p>The property is leased to Dongguan Shidai Leather Products Factory Co., Ltd. (“Sitoy Dongguan”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 June 2011 and expiring on 30 June 2015.</p>	The property is occupied by the Group for workshop, warehouse, canteen, dormitory and office uses.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Dongguan from an independent third party (the “Lessor”) for a term commencing on 1 June 2011 and expiring on 30 June 2015 at monthly rentals of approximately RMB70,000 until 30 June 2013 and RMB75,000 starting from 1 July 2013 until the expiry of the lease.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor has obtained the Building Ownership Certificate of the property and is entitled to lease the property; and
 - ii. The tenancy agreement has been registered, and is valid and legally binding.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
11.	Qiaonan Branch (Dongguan) Facilities located at the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises a 6-storey warehouse, office and workshop mixed-use building.</p> <p>The gross floor area of the property is approximately 9,225.00 sq.m. (99,298 sq.ft.).</p> <p>The property is leased to Dongguan Shidai Leather Products Factory Co., Ltd. (“Sitoy Dongguan”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 15 September 2010 and expiring on 31 October 2015.</p>	The property is occupied by the Group for warehouse, workshop and office uses.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Dongguan from an independent third party (the “Lessor”) for a term commencing on 15 September 2010 and expiring on 31 October 2015 at a monthly rental of approximately RMB60,000.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for Management of Tenancy for Commodity Housing, Dongguan Sitoy may be subject to a fine for the non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
12.	Chongxincunwei Tian Xin Village (a parcel of land including a fish pond) Donghua Town, Yingde, Guangdong Province, PRC	The property comprises a parcel of land including a fish pond with a site area of approximately 4,662.00 sq.m. (50,182 sq.ft). The property is leased to Sitoy (Yingde) Leather Products Co., Ltd. (“Sitoy Yingde”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 28 November 2009 and expiring on 27 November 2029.	The property is occupied by the Group for fishery use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Yingde from an independent third party (the “Lessor”) for a term commencing on 28 November 2009 and expiring on 27 November 2029 at an annual rental of RMB3,500.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal advisers, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide any title documents to prove his ownership of property; and
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
13.	Shop No. 17, Level 1, Ginza Mall, No. 48 Dongzhimen Waidajie, Dongcheng District, Beijing, PRC	<p>The property comprises a retail unit on Level 1 of a 5-storey retail mall.</p> <p>The gross floor area of the property is approximately 129.00 sq.m. (1,389 sq.ft.).</p> <p>The property is leased to Guangzhou Sitoy Leather Goods Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 20 August 2011 and expiring on 19 August 2014.</p>	The property is occupied by the Group for retail use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Guangzhou from an independent third party (the “Lessor”) for a term commencing on 20 August 2011 and expiring on 19 August 2014 with 40 days rent free period at either a fixed monthly rental or a turnover rental, whichever is greater. The rental details are as follows:

Year	Fixed Monthly Rental (RMB)	Turnover Monthly Rental (%)
1	129,000	Based on 18% of the turnover before tax
2	135,450	Based on 18% of the turnover before tax
3	141,900	Based on 18% of the turnover before tax

2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor has obtained the authorization from the owner of the property and is entitled to lease the property; and
 - ii. The tenancy agreement has been registered, and is valid and legally binding.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
14.	Shop 203A, Level 2, U-Town Shopping Center, No.5 Sanfengbeili, Chaoyang District, Beijing, PRC	<p>The property comprises a retail unit on Level 2 of a 6-storey retail mall.</p> <p>The gross floor area of the property is approximately 111.00 sq.m. (1,195 sq.ft.).</p> <p>The property is leased to Guangzhou Sitoy Leather Goods Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 August 2011 and expiring on 31 July 2013.</p>	The property is occupied by the Group for retail use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Guangzhou from an independent third party (the “Lessor”) for a term commencing on 1 August 2011 and expiring on 31 July 2013 with 30 days rent free period at either a fixed monthly rental or a turnover rental, whichever is greater. The rental details are as follows:

Year	Fixed Monthly Rental (RMB/sq.m.)	Turnover Monthly Rental (%)
1	420	Based on 18% of the turnover before tax
2	460	Based on 18% of the turnover before tax

2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
- i. The Lessor has obtained the Building Ownership Certificate of the property and is entitled to lease the property;
 - ii. The tenancy agreement is valid and legally binding; and
 - iii. The tenancy agreement has not been registered but non-registration of the tenancy agreement will not affect its validity. However, according to the Law for Management of Tenancy for Commodity Housing, Sitoy Guangzhou may be subject to a fine for non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
15.	Shop No. 101C of a shopping centre located at No. 22799 Jingshi Road, Jinan, Shandong Province, PRC	<p>The property comprises a retail unit on Level 1 of a proposed 8-storey shopping mall including a basement which is scheduled to be completed in Q3 of 2011.</p> <p>The gross floor area of the property is approximately 102.00 sq.m. (1,098 sq.ft.).</p> <p>The property is leased to Guangzhou Sitoy Leather Goods Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term of 3 years since the open day of the shopping mall.</p>	The property is under construction.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Guangzhou from an independent third party (the “Lessor”) for a term of 3 years since the open day of the shopping mall with 60 days rent free period at either a fixed monthly rental of RMB420 per sq.m. or a turnover rental based on 15% of the turnover before tax, whichever is greater.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The owner of the property has not obtained the Building Ownership Certificate but has obtained the Construction Works Planning Permit. According to relevant interpretation by the Supreme People’s Court, the tenancy agreement is deemed to be valid;
 - ii. The tenancy agreement is valid and legally binding; and
 - iii. The tenancy agreement has not been registered but non-registration of the tenancy agreement will not affect its validity. However, according to the Law for Management of Tenancy for Commodity Housing, Sitoy Guangzhou may be subject to a fine for non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
16.	Shop 01-50/51, Level 1, SCP Plaza, Nonglin Road, Futian District, Shenzhen, Guangdong Province, PRC	<p>The property comprises a retail unit on Level 1 of a 4-storey retail mall including a basement completed in 2007.</p> <p>The gross floor area of the property is approximately 89.84 sq.m. (967 sq.ft.).</p> <p>The property is leased to Guangzhou Sitoy Leather Goods Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 10 July 2011 and expiring on 9 July 2013.</p>	The property is occupied by the Group for retail use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Guangzhou from an independent third party (the “Lessor”) for a term commencing on 10 July 2011 and expiring on 09 July 2013 with 30 days rent free period at either a fixed monthly rental or a turnover rental, whichever is greater. The rental details are as follows:

Year	Fixed Monthly Rental (RMB)	Turnover Monthly Rental (%)
1	85,348	Based on 24% of the turnover
2	93,883	Based on 24% of the turnover

2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor has obtained the Building Ownership Certificate of the property and is entitled to lease the property; and
 - ii. The tenancy agreement has been registered, and is valid and legally binding.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
17.	Room 1702, Dehe Building, Lie De Garden No.3 Haiwen Road, Zhu Jiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC	<p>The property comprises a residential unit on 17th Floor of a 32-storey residential building completed in 2009.</p> <p>As advised by the Group, the gross floor area of the property is approximately 100.00 sq.m. (1,076 sq.ft.).</p> <p>The property is leased to Guangzhou Sitoy Leather Products Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 May 2011 and expiring on 30 April 2012.</p>	The property is occupied by the Group as staff quarter.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Guangzhou from an independent third party (the “Lessor”) for a term commencing on commencing on 1 May 2011 and expiring on 30 April 2012 at a monthly rental of RMB4,200 exclusive of management fee.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for management of Tenancy for Commodity Housing, Sitoy Guangzhou may be subject to a fine for the non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
18.	Room 1003, Block D of Gao De Zhi De Apartment, No.16 Xiancun Road, Tianhe District, Guangzhou, Guangdong Province, PRC	The property comprises a residential unit on 10th Floor of a residential building completed in 2009. As advised by the Group, the gross floor area of the property is approximately 64.01 sq.m. (689 sq.ft.). The property is leased to Guangzhou Sitoy Leather Products Company Limited (“Sitoy Guangzhou”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 February 2011 and expiring on 31 January 2012.	The property is occupied by the Group as staff quarter.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Guangzhou from an independent third party (the “Lessor”) for a term commencing on commencing on 1 February 2011 and expiring on 31 January 2012 at a monthly rental of RMB5,800.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for management of Tenancy for Commodity Housing, Sitoy Guangzhou may be subject to a fine for the non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
19.	3th to 8th Floors of a dormitory building located at Bo Lan Avenue, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises a dormitory on 3th to 8th floors of an 8-storey dormitory building completed in 2000s.</p> <p>As advised by the Group, the gross floor area of the property is approximately 4,552 sq.m. (48,998 sq.ft.).</p>	The property is occupied by the Group as staff quarter.	No commercial value
		<p>The property is leased to Dongguan Shidai Leather Products Factory Co., Ltd. (“Sitoy Dongguan”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 June 2010 and expiring on 9 October 2013.</p>		

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Dongguan from an independent third party (the “Lessor”) for a term commencing on commencing on 1 June 2010 and expiring on 9 October 2013 at a monthly rental of RMB58,129 until 31 October 2011 and RMB62,754 starting from 1 November 2011.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for management of Tenancy for Commodity Housing, Sitoy Dongguan may be subject to a fine for the non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
20.	Levels 1 to 4 of a building located at No. 148 Qiaotou South Road, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises Levels 1 to 4 of a 6-storey warehouse completed in 2000s.</p> <p>As advised by the Group, the gross floor area of the property is approximately 1,200 sq.m. (12,917 sq.ft.).</p> <p>The property is leased to Dongguan Shidai Leather Products Factory Co., Ltd. (“Sitoy Dongguan”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 April 2011 and expiring on 31 March 2021.</p>	The property is occupied by the Group for warehouse use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Dongguan from an independent third party (the “Lessor”) for a term commencing on commencing on 1 April 2011 and expiring on 31 March 2021 at a monthly rental of RMB10,000 until 31 March 2012 and RMB11,000 starting from 1 April 2012 until 31 March 2014. The monthly rental starting from 1 April 2014 is subject to negotiation between two parties.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for management of Tenancy for Commodity Housing, Sitoy Dongguan may be subject to a fine for the non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
21.	Level 1 of a building located at No. 124 Qiaotou South Road, the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises a warehouse on Level 1 of a 3-storey building completed in 2003.</p> <p>As advised by the Group, the gross floor area of the property is approximately 300 sq.m. (3,229 sq.ft.).</p> <p>The property is leased to Dongguan Shidai Leather Products Factory Co., Ltd. (“Sitoy Dongguan”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 July 2011 and expiring on 30 June 2014.</p>	The property is occupied by the Group for warehouse use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Dongguan from an independent third party (the “Lessor”) for a term commencing on commencing on 1 July 2011 and expiring 30 June 2014 at a monthly rental of RMB5,500 until 30 June 2012. The monthly rental starting from 1 July 2012 is subject to negotiation between two parties.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for management of Tenancy for Commodity Housing, Sitoy Dongguan may be subject to a fine for the non-registration of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 August 2011
22.	Level 1 of a building located at No. 126 Qiaotou South Road, the 3rd Industrial District, Qiaotou Village, Houjie Town, Dongguan, Guangdong Province, PRC	<p>The property comprises a warehouse on Level 1 of a 3-storey building completed in 2003.</p> <p>As advised by the Group, the gross floor area of the property is approximately 300 sq.m. (3,229 sq.ft.).</p> <p>The property is leased to Dongguan Shidai Leather Products Factory Co., Ltd. (“Sitoy Dongguan”), a wholly-owned subsidiary of the Company, from an independent third party for a term commencing on 1 July 2011 and expiring on 30 June 2014.</p>	The property is occupied by the Group for warehouse use.	No commercial value

Notes:

1. Pursuant to a tenancy agreement, the property is leased to Sitoy Dongguan from an independent third party (the “Lessor”) for a term commencing on commencing on 1 July 2011 and expiring 30 June 2014 at a monthly rental of RMB5,500 until 30 June 2012. The monthly rental starting from 1 July 2012 is subject to negotiation between two parties.
2. We have been provided with a legal opinion on the title of the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - i. The Lessor is unable to provide the Building Ownership Certificate to prove his ownership of the property;
 - ii. If the Lessor is not the owner of the property, there is a risk that the tenancy is deemed to be invalid; and
 - iii. According to the Law for management of Tenancy for Commodity Housing, Sitoy Dongguan may be subject to a fine for the non-registration of the tenancy agreement.