

The following is the text of letter, summary of valuation and valuation certificates, prepared for the purpose of incorporation in this prospectus, received from Vigers Appraisal & Consulting Limited, an independent property valuer, in connection with its valuations as at 31 January 2012 of the property interests of our Group.

Vigers Appraisal & Consulting Limited
International Assets Appraisal Consultants

10/F The Grande Building
398 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong



10 April 2012

The Directors
Jiangnan Group Limited

Dear Sirs,

In accordance with your instructions for us to value the property interests held by Jiangnan Group Limited (the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) in the People’s Republic of China (the “PRC”) and South Africa, 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 the market value of such property interests as at 31 January 2012 (the “date of valuation”) for the purpose of incorporation into the prospectus.

Our valuation is our opinion of the market value of the property interest which we would define market value 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”.

In valuing Property No. 1 in Group I, we have adopted a combination of the market and depreciated replacement cost approach in assessing the land portion of the property and the buildings and structures standing on the land respectively. Hence, the sum of the two results represents the market value of the property as a whole. In the valuation of the land portion, reference has been made to the standard land price in Yixing City and the sales evidence as available to us in the locality. As the nature of the buildings and structures cannot be valued on the basis of market value, they have therefore been valued on the basis of their depreciated replacement costs. The depreciated replacement cost approach considers the current cost of replacement (reproduction) of the buildings and improvements less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost approach generally furnishes the most reliable indication of value for property in the absence of a known market based on comparable sales. The approach is subject to adequate potential profitability of the business.

For property interests in Group II which are rented by the Group in South Africa, we have assigned no commercial value to them mainly due to the prohibition against assignment or sub-letting, the lack of substantial profit rents or the short term nature of such interests.

Our valuation has been made on the assumption that the owner sells the property interests in the open market in its existing state without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interests. In addition, no forced sale situation in any manner is assumed in our valuation.

We have not caused title searches to be made for the property interests at the relevant government bureau in the PRC. We have been provided with extracts of title documents relating to the property interest. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interest in the PRC, we have relied on the legal opinion (the “PRC legal opinion”) provided by the Group’s PRC legal adviser, Allbright Law Offices.

After making due and careful enquiries, we have relied to a considerable extent on information provided by the Group and have accepted advice given to us by the Group on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the properties and other relevant matter. After making due and careful enquiries, we have also been advised by the Group that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are approximations only. 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 a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the properties are free from defect. No tests were carried out on any of the services.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the 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 property interests, we have complied with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors (HKIS).

Unless otherwise stated, all money amounts stated are in Renminbi (RMB). The exchange rate used in valuing the property interest in the PRC as at 31 January 2012 was HK\$1=RMB0.8134. There has been no significant fluctuation in the exchange rate for Renminbi against Hong Kong Dollars (HK\$) between that date and the date of this letter.

We enclose herewith a summary of valuation and the valuation certificates.

Yours faithfully,
For and on behalf of,
Vigers Appraisal & Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor (GP)
MRICS MHKIS MSc (e-com)
Managing Director

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over twenty-five years' experiences in undertaking valuations of properties in Hong Kong and has over eighteen years' experiences in valuations of properties in the PRC. Moreover, Mr. Raymond Ho Kai Kwong has been assisted by an associate, who has extensive experience in valuations of properties in South Africa, in valuing leased properties in South Africa.

SUMMARY OF VALUATION

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

<u>Property</u>	<u>Market Value in existing state as at 31 January 2012</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 January 2012</u>
1. An industrial complex located at No. 53 Xin Guan East Road, Guanlin Town, Yixing City, Jiangsu Province, the PRC	RMB304,800,000 (equivalent to approximately HK\$374,720,000)	100%	RMB304,800,000 (equivalent to approximately HK\$374,720,000)
Sub-total:	RMB304,800,000 (equivalent to approximately HK\$374,720,000)		RMB304,800,000 (equivalent to approximately HK\$374,720,000)

Group II – Property interests rented and occupied by the Group in South Africa

<u>Property</u>	<u>Market Value in existing state as at 31 January 2012</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 January 2012</u>
2. Flat 21 of Section 29, Constantia Estate, Corner Bind and Van Vuuren Streets, Allen's Nek Extension 25, South Africa	No commercial value	100%	Nil

APPENDIX III

PROPERTY VALUATION

<u>Property</u>	<u>Market Value in existing state as at 31 January 2012</u>	<u>Interest attributable to the Group</u>	<u>Market Value in existing state attributable to the Group as at 31 January 2012</u>
3. Unit 27, Magnolia Gardens, Allen's Nek Extension 44, South Africa	No commercial value	100%	Nil
4. Unit A2, Selby Industrial Park, Corner Prop and John Streets, Selby, Erf 549 Selby Extension 11, South Africa	No commercial value	100%	Nil
5. Unit A1, Selby Industrial Park, Corner Prop and John Streets, Selby, Erf 549 Selby Extension 11, South Africa	No commercial value	100%	Nil
6. Unit 10, Mulberry Gardens, Allen's Nek Extension 44, South Africa	No commercial value	100%	Nil
Sub-total:	Nil		Nil
Grand total:	RMB304,800,000		RMB304,800,000
	(equivalent to approximately HK\$374,720,000)		(equivalent to approximately HK\$374,720,000)

VALUATION CERTIFICATES

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

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 January 2012
1.	An industrial complex located at No. 53 Xin Guan East Road, Guanlin Town, Yixing City, Jiangsu Province, the PRC	<p>The property is currently occupied by the Group for production, office and ancillary uses.</p> <p>Portions of the warehouses of total gross floor area of approximately 40,000 sq.m. and open storage spaces of a total area of approximately 260,000 sq.m. of the property are leased to CMST Development Co., Ltd. Wuxi Logistics Centre (中儲發展股份有限公司無錫物流中心), an independent third party, for a term from 19 November 2011 to 9 August 2012 at nil rent.</p> <p>Portions of the open storage spaces of a total area of approximately 5,000 sq.m. of the property are leased to Wuxi Andali Assets Management Co., Ltd. (無錫安達利資產管理有限公司), an independent third party, for a term from 15 November 2011 to 15 November 2013 at a total rent of RMB1.</p>	<p>RMB304,800,000</p> <p>(equivalent to approximately HK\$374,720,000)</p> <p>Interest attributable to the Group</p> <p>100%</p> <p>Market Value in existing state attributable to the Group as at 31 January 2012</p> <p>RMB304,800,000</p> <p>(equivalent to approximately HK\$374,720,000)</p>
	<p>The property comprises four parcels of land with a total site area of approximately 301,070.80 sq.m. and 56 buildings and various ancillary structures erected thereon completed in various stages between 2004 and 2010.</p> <p>The buildings have a total gross floor area of approximately 156,275.26 sq.m. The buildings mainly include workshops, warehouses, boiler room, transformer rooms and office buildings.</p> <p>The structures mainly include roads, walls, sheds and pools.</p> <p>There is a workshop of gross floor area of approximately 21,635 sq.m. under construction and scheduled to be completed in 2012.</p> <p>The property has been granted a land use rights for various terms with the earliest expiry date on 9 January 2052 for industrial uses.</p>		

Notes:

- According to four State-owned Land Use Rights Certificates (Document Nos.: Yi Guo Yong (2004) No. 000792, Yi Guo Yong (2006) Nos. 000176 and 000177 and Yi Guo Yong (2007) 103259), the land use rights of the property having a total site area of approximately 301,070.80 sq.m. have been granted to Wuxi Jiangnan Cable Co., Ltd. (無錫江南電纜有限公司) for industrial uses for terms expiring on 24 June 2054, 29 January 2052, 9 January 2052 and 2 April 2057 respectively.

2. According to 39 Building Ownership Certificates (Document Nos.: Yi Fang Quan Zheng Guan Lin Zi Nos. E0001237 to E0001252, E0002728 to E0002736, E0004527, E0004528 and 1000017625 to 1000017634, 1000017636 and 1000017637), the building ownership rights of 39 buildings with a total gross floor area of approximately 154,032.36 sq.m. are owned by Wuxi Jiangnan Cable Co., Ltd. (無錫江南電纜有限公司).
3. In the valuation of the property, we have attributed no commercial value to 17 buildings of total gross floor area of approximately 2,242.9 sq.m. which have not obtained Building Ownership Certificates. However, for reference purposes, we are of the opinion that the depreciated replacement cost of the buildings as at the date of valuation would be RMB1,520,000 (equivalent to approximately HK\$1,870,000) assuming relevant title ownership certificates have been obtained and they could be freely transferred.
4. According to a mortgage agreement and 28 Others Rights Certificates (Document Nos.: Yi Ta Xiang (2010) Nos. 600417, 600418 and 600419 and Yi Fang Ta Zheng Yi Cheng Zi Nos. 1000014289 to 1000014301 and 1000014303 to 1000014314), 3 land parcels of the property having a total site area of approximately 268,716.90 sq.m. and 25 buildings of the property having a total gross floor area of approximately 112,350.46 sq.m. are subject to a mortgage in favour of Bank of China Co., Ltd., Yixing Branch for borrowings made during the term from 16 March 2010 to 15 March 2012.
5. According to a mortgage agreement and an Others Rights Certificate (Document No.: Yi Ta Xiang (2009) No. 601463), a land parcel of the property having a site area of approximately 32,353.90 sq.m. is subject to a mortgage in favour of Agricultural Bank of China Co., Ltd., Yixing Branch for borrowings made during the term from 7 December 2009 to 6 December 2011.
6. According to a Planning Permit for Construction Works (Document Nos.: Jian Zi No. Zhen 320282200900397) issued by Yixing City Planning Bureau on 12 June 2009, the construction works of a workshop with a gross floor area of 21,635 sq.m. is in compliance with the urban construction requirements and are approved.
7. According to a lease agreement entered into between Wuxi Jiangnan Cable Co., Ltd. (Party A) and CMST Development Co., Ltd. Wuxi Logistics Centre (中儲發展股份有限公司無錫物流中心) (Party B) dated 19 November 2011, portions of the warehouses of a total gross floor area of approximately 40,000 sq.m. and open storage spaces of a total area of approximately 260,000 sq.m. of the property have been leased to Party B from Party A for a term from 19 November 2011 to 9 August 2012 at nil rent for the purpose of providing on-site storage facilities for Party B to manage and store materials that Wuxi Jiangnan Cable Co., Ltd. pledged as collaterals for certain bank borrowings.
8. According to a lease agreement entered into between Wuxi Jiangnan Cable Co., Ltd. (Party A) and Wuxi An Da Li Assets Management Co., Ltd. (無錫安達利資產管理有限公司) (Party B) dated 15 November 2011, portions of the open storage spaces of a total area of approximately 5,000 sq.m. of the property have been leased to Party B from Party A for a term from 15 November 2011 to 15 November 2013 at a total rent of RMB1 for the purpose of providing on-site storage facilities for Party B to manage and store materials that Wuxi Jiangnan Cable Co., Ltd. pledged as collaterals for certain bank borrowings.
9. Wuxi Jiangnan Cable Co., Ltd. (無錫江南電纜有限公司) is an indirect wholly-owned subsidiary of the Company.
10. The PRC legal opinion states, *inter alia*, the following:
 - (i) Save as disclosed in Note 3, Wuxi Jiangnan Cable Co., Ltd. (無錫江南電纜有限公司) has legally obtained the land use rights and the building ownership rights of the property and is legally entitled to occupy, use, transfer, lease and mortgage the property.
 - (ii) Except the mortgages disclosed in Notes 4 and 5, the property is free from other mortgages, charges and third party encumbrances.
 - (iii) Wuxi Jiangnan Cable Co., Ltd. (無錫江南電纜有限公司) is not restricted by the mortgages to use the property.
 - (iv) The existing use of the property is in compliance with the prescribed uses.

Group II – Property interests rented and occupied by the Group in South Africa

<u>Property</u>	<u>Description and Tenancy particulars</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 January 2012</u>
2. Flat 21 of Section 29, Constantia Estate, Corner Bind and Van Vuuren Streets, Allen's Nek Extension 25, South Africa	<p>The property comprises a residential unit on the 1st and 2nd Floors of a two-storey residential building completed in 2002.</p> <p>The property has a gross floor area of approximately 124 sq.m.</p> <p>The property is leased to SA Asia Cable (Pty) Ltd. by Lizel Burger, an independent third party, for a term of 1 year from 16 November 2011 to 15 November 2012 at an annual rent of South Africa Rand 75,600.</p>	The property is occupied by the Group for residential use.	No commercial value

Notes:

1. SA Asia Cable (Pty) Ltd. is an indirect wholly-owned subsidiary of the Company.
2. The existing use of the property is in compliance with the prescribed uses.

<u>Property</u>	<u>Description and Tenancy particulars</u>	<u>Particulars of occupancy</u>	<u>Market Value in existing state as at 31 January 2012</u>
3. Unit 27, Magnolia Gardens, Allen's Nek Extension 44, South Africa	<p>The property comprises a residential unit on the 1st and 2nd Floors of a two-storey residential building completed in 2002.</p> <p>The property has a gross floor area of approximately 138 sq.m.</p> <p>The property is leased to SA Asia Cable (Pty) Ltd. by Move-On-Up 1064 CC, an independent third party, for a term of 1 year from 1 December 2011 to 30 November 2012 at a total rent of South Africa Rand 74,800 paid in one lump sum.</p>	The property is occupied by the Group for residential use.	No commercial value

Notes:

1. SA Asia Cable (Pty) Ltd. is an indirect wholly-owned subsidiary of the Company.
2. The existing use of the property is in compliance with the prescribed uses.

Property	Description and Tenancy particulars	Particulars of occupancy	Market Value in existing state as at 31 January 2012
4. Unit A2, Selby Industrial Park, Corner Prop and John Streets, Selby, Erf 549 Selby Extension 11, South Africa	<p>The property comprises a commercial unit on the 1st Floor of a one-storey commercial building completed in 2000.</p> <p>The property has a gross floor area of approximately 415 sq.m.</p> <p>The property is leased to SA Asia Cable (Pty) Ltd. by Stand 549 Selby (Pty) Ltd., an independent third party, for a term of 3 years from 1 August 2011 to 31 July 2014 at a monthly rent of South Africa Rand 16,804.09 for the period from 1 August 2011 to 31 July 2012; South Africa Rand 18,378.32 for the period from 1 August 2012 to 31 July 2013; and South Africa Rand 20,109.98 for the period from 1 August 2013 to 31 July 2014. The rents are inclusive of rates and value added tax.</p>	The property is occupied by the Group for commercial use.	No commercial value

Notes:

1. SA Asia Cable (Pty) Ltd. is an indirect wholly-owned subsidiary of the Company.
2. The existing use of the property is in compliance with the prescribed uses.

Property	Description and Tenancy particulars	Particulars of occupancy	Market Value in existing state as at 31 January 2012
5. Unit A1, Selby Industrial Park, Corner Prop and John Streets, Selby, Erf 549 Selby Extension 11, South Africa	<p>The property comprises a commercial unit on the 1st Floor of a one-storey commercial building completed in 2000.</p> <p>The property has a gross floor area of approximately 419 sq.m.</p> <p>The property is leased to SA Asia Cable (Pty) Ltd. by Stand 549 Selby (Pty) Ltd., an independent third party, for a term of 3 years from 1 August 2011 to 31 July 2014 at a monthly rent of South Africa Rand 16,720.06 for the period from 1 August 2011 to 31 July 2012; South Africa Rand 18,284.87 for the period from 1 August 2012 to 31 July 2013; and South Africa Rand 20,006.16 for the period from 1 August 2013 to 31 July 2014. The rents are inclusive of rates and value added tax.</p>	The property is occupied by the Group for commercial use.	No commercial value

Notes:

1. SA Asia Cable (Pty) Ltd. is an indirect wholly-owned subsidiary of the Company.
2. The existing use of the property is in compliance with the prescribed uses.

Property	Description and Tenancy particulars	Particulars of occupancy	Market Value in existing state as at 31 January 2012
6. Unit 10, Mulberry Gardens, Allen's Nek Extension 44, South Africa	<p>The property comprises a residential unit on the 1st Floor of a two-storey residential building completed in 2002.</p> <p>The property has a gross floor area of approximately 125 sq.m.</p> <p>The property is leased to SA Asia Cable (Pty) Ltd. by ASE Ellis, an independent third party, for a term of 1 year expiring on 28 February 2013 at a monthly rent of South Africa Rand 6,395.</p>	The property is occupied by the Group for residential use.	No commercial value

Notes:

1. SA Asia Cable (Pty) Ltd. is an indirect wholly-owned subsidiary of the Company.
2. The existing use of the property is in compliance with the prescribed uses.