

The following is a text of the letter, summary of values and valuation certificates, prepared for inclusion in this prospectus, received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their valuations as of 30 April 2012 of the properties held by the Group.



Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

T: (852) 2801 6100
F: (852) 2530 0756

EA Licence: C-023750
savills.com

The Directors
Xiezhong International Holdings Limited
No. 389 Kening Road
Science Park
Jiangning District
Nanjing
Jiangsu Province
PRC

6 June 2012

Dear Sirs,

In accordance with your instructions for us to value the properties situated in the People's Republic of China (the "PRC") in which Xiezhong International Holdings Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") have interests, we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as at 30 April 2012 ("date of valuation") for inclusion 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 valuing the properties in Group I, which are held for owner occupation in the PRC, due to the specific purpose for which the buildings and structures of the properties have been constructed, there are no readily available market comparables and thus the buildings and structures of the properties cannot be valued on the basis of direct comparison. The properties have been valued on the basis of the depreciated replacement cost (“DRC”). We would define DRC to be our opinion of the land value in its existing use and an estimate of the new replacement costs of the buildings and structures, including professional fees and finance charges, from which deductions are then made to allow for physical deterioration and all relevant forms of obsolescence and optimization. For the portion of Property No. 1 which is under construction, we have also taken into account the construction cost incurred and the outstanding construction cost to be expended to complete the development as at the date of valuation. The DRC is subject to adequate potential profitability of the concerned business.

In valuing the property in Group II, which is held for future development in the PRC, we have valued the property by direct comparison approach by making reference to comparable sales transactions as available in the market assuming sale with the benefit of vacant possession.

In valuing the properties in Group III, which are leased by the Group in the PRC, we have assigned no commercial value to these properties due to prohibition against assignment or sub-letting or otherwise due to lack of substantial profit rent.

We have been provided with copies of extracts of title documents relating to the properties in the PRC. However, we have not searched the original documents to ascertain the existence of any amendments which do not appear on the copies handed to us. We have relied to a very considerable extent on information given by the Group and its legal advisers, Chen & Co. Law Firm (“PRC Legal Advisers”), regarding the titles to the properties in the PRC.

We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, development proposal, expended and outstanding construction costs, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates 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 confirmation from 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 inspection, we did not note any serious defects. However, no structural survey has been made, we are therefore unable to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

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

The site inspection was carried out in November 2011 by Mr. James Woo, who is a chartered surveyor and Miss Zhou Lou Pui, who is China Registered Real Estate Appraiser and Land Valuer.

In preparing our valuation report, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by 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.

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

Our summary of values and valuation certificates are attached.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C K Lau
MHKIS MRICS RPS(GP)
Director

Note: Mr Anthony C K Lau is a qualified surveyor and has over 19 years' post-qualification experience in the valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUES

No.	Property	Capital value in existing state as at 30 April 2012 (RMB)	Interest attributable to the Group (%)	Capital value attributable to the Group as at 30 April 2012 (RMB)
Group I — Properties held by the Group for owner occupation in the PRC				
1.	An industrial complex located at No. 389 Kening Road, Science Park, Jiangning District, Nanjing, Jiangsu Province, PRC	120,300,000	100%	120,300,000
2.	An industrial complex located at east of Wangli Street and south of Chendong Road, Fushun Economic Development Zone, Fushun, Liaoning Province, PRC	16,200,000	60%	9,720,000
	Sub-total:	136,500,000		130,020,000
Group II — Property held by the Group for future development in the PRC				
3.	A parcel of land located at east of Sanzhi Road, Caiyu Town, Daxing District, Beijing, PRC	22,100,000	50%	11,050,000
	Sub-total:	22,100,000		11,050,000

No.	Property	Capital value in existing state as at 30 April 2012 (RMB)	Interest attributable to the Group (%)	Capital value attributable to the Group as at 30 April 2012 (RMB)
Group III — Properties leased by the Group in the PRC				
4.	No. 268 Xifa Village, Yujia Town, Tongzhou District, Beijing, PRC	No commercial value		No commercial value
5.	An office unit on Level 2, Dongjun Industrial Park, No. 88 Houguanhu Avenue, Wuhan Economic Technology Development District, Wuhan, Hubei Province, PRC	No commercial value		No commercial value
6.	A unit, No. 20 Yuzheng Street, Daxing District, Beijing, PRC	No commercial value		No commercial value
	Sub-total:	Nil		Nil
	Grand-total:	<u>158,600,000</u>		<u>141,070,000</u>

VALUATION CERTIFICATE

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

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 April 2012
1.	An industrial complex located at No. 389 Kening Road, Science Park, Jiangning District, Nanjing, Jiangsu Province, PRC	<p>The property comprises an industrial complex erected upon a parcel of land with a site area of approximately 60,133.90 sq.m. (647,281 sq.ft.) completed in phases between 2004 and 2012</p> <p>The property comprises five single to 3-storey workshop, office buildings and warehouse with a total gross floor area of approximately 34,689.10 sq.m. (373,393 sq.ft.) and various structures.</p> <p>Moreover, a building with a total gross floor area of 15,631.00 sq.m. (168,252 sq.ft.) is being constructed. It is scheduled to be completed in 2012.</p> <p>The land use rights of the property were granted for a term expiring on 24 December 2052 for industrial use.</p>	The property is occupied by the Group for workshop, office and storage uses except for a building with a total gross floor area of approximately 15,631.00 sq.m. is under construction.	RMB120,300,000 (100% interest attributable to the Group: RMB120,300,000)

Notes:

- Pursuant to the Land Use Rights Certificate No. Ning Jiang Guo Yong (2010) Di 00873, the land use rights of a parcel of land with a site area of 60,133.90 sq.m. were granted to Nanjing Xiezhong Auto-Airconditioner (Group) Co., Ltd. ("Xiezhong Nanjing"), which is wholly-owned by Xiezhong Auto-Airconditioner (Hong Kong) Limited, for a term expiring on 24 December 2052 for industrial use.
- Pursuant to four Building Ownership Certificates Nos. Jiang Ning Fang Quan Zheng Dong Shan Zi Di 01080776, JH0000574, JN00150466 and Ning Fang Quan Zheng Jiang Chu Zi No. JN00246615, the building ownership of the buildings with a total gross floor area of approximately 34,589.10 sq.m. is vested in Xiezhong Nanjing.
- Pursuant to the Construction Works Planning Permit No. Jian Zi Di 320115201081371, the construction project with a construction scale of 15,631.00 sq.m. is approved for construction.
- Pursuant to the Construction Works Commencement Permit No. 3201152011072200003A, the construction works of the property with a construction scale of 15,631.00 sq.m. have been permitted to commence.

5. We have been provided with a legal opinion on the title to the property issued by the Group's PRC Legal Advisers, which contains, inter-alia, the following information:
 - i. Xiezhong Nanjing is the legal owner of the land use rights of the property and a building with a gross floor area of 3,116.32 sq.m. and during the valid period of land use rights, Xiezhong Nanjing is entitled to use, make profit, transfer, lease, mortgage or by any other legal means dispose of such portion of the property;
 - ii. Xiezhong Nanjing is the legal owner of three buildings of the property with a total gross floor area of approximately 31,472.78 sq.m. and is entitled to use, make profit, lease and mortgage of such portion of the property;
 - iii. portion of the buildings of the property with a total gross floor area of approximately 31,472.78 sq.m. are subject to mortgage and Xiezhong Nanjing is entitled to transfer or by any other legal means dispose of such portion of the property after obtaining the consent from the mortgagee; and
 - iv. an ancillary building and a shed with areas of 100 sq.m. and 1,400 sq.m. respectively were built without obtaining Construction Works Planning Permits nor Construction Works Commencement Permits. There is a risk that the relevant authority may order Xiezhong Nanjing to demolish such building and structure and impose fines ranging from RMB5,000 to RMB30,000 plus 2–10% of the contracted construction cost.
6. As advised by the Group, the estimated total construction cost for the completion of the proposed development is approximately RMB67,000,000 of which RMB49,400,000 was spent as at the date of valuation. We have taken into account the said amounts in our valuation.
7. In the course of our valuation, we have not assigned any commercial value to the building and structure as mentioned in Note 5 (iv).
8. In our opinion, the capital value of the proposed development as if completed as at the date of valuation was RMB75,700,000.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 April 2012
2.	An industrial complex located at east of Wangli Street and south of Chendong Road, Fushun Economic Development Zone, Fushun, Liaoning Province, PRC	<p>The property comprises an industrial complex erected upon a parcel of land with a site area of approximately 30,893.00 sq.m. (332,532 sq.ft.) completed in 2011.</p> <p>The property comprises a 3-storey workshop/office building with a gross floor area of approximately 5,656.56 sq.m. (60,887 sq.ft.).</p> <p>The land use rights of the property were granted for a term expiring on 25 December 2060 for industrial use.</p>	The property is occupied by the Group for workshop and office uses.	RMB16,200,000 (60% interest attributable to the Group: RMB9,720,000)

Notes:

1. Pursuant to the State-owned Construction Land Use Rights Grant Contract No. 2113052010ak072 dated 26 December 2010, a parcel of land with a site area of 30,893.00 sq.m. was contracted to be granted to Liaoning Chenyou Xiezhong Auto-Airconditioner System Co., Ltd. ("Xiezhong Liaoning"), which is owned as to 60% by Nanjing Xiezhong Auto-Airconditioner (Group) Co., Ltd. and 40% by Shengyang Special Solder Co., Ltd., for a total consideration of RMB8,897,200.
2. Pursuant to the Land Use Rights Certificate No. Fu Kai Guo Yang (2011) Di 051, the land use rights of a parcel of land with a site area of 30,893.00 sq.m. were granted to Xiezhong Liaoning for a term expiring on 25 December 2060 for industrial use.
3. Pursuant to the Building Ownership Certificate No. Fu Kai Fang Quan Zheng Li Shi Zi Di G1205121057, the building ownership of the property with a gross floor area of 5,656.56 sq.m. is vested in Xiezhong Liaoning.
4. We have been provided with a legal opinion on the title to the property issued by the Group's PRC Legal Advisers, which contains, inter-alia, the following information:
 - i. Xiezhong Liaoning is the legal owner of the land use rights of the property and during the valid period of land use rights, Xiezhong Liaoning is entitled to use, make profit, transfer, lease, mortgage or by any other legal means dispose of the land use rights of the property; and
 - ii. the property is free from any encumbrances.

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 30 April 2012
3.	A parcel of land located at east of Sanzhi Road, Caiyu Town, Daxing District, Beijing, PRC	<p>The property comprises a parcel of land with a site area of approximately 45,178.23 sq.m. (486,298 sq.ft.).</p> <p>As advised, the property is proposed to be developed into an industrial complex with a total gross floor area of approximately 28,533.83 sq.m. (307,138 sq.ft.). Construction works are scheduled to be commenced in second half of 2012 and to be completed in 2015.</p> <p>The land use rights of the property were granted for a term of 50 years expiring on 25 November 2060 for industrial use.</p>	The property is vacant.	RMB22,100,000 (50% interest attributable to the Group: RMB11,050,000)

Notes:

1. Pursuant to the State-owned Construction Land Use Rights Grant Contract No. Jing Xing Di Chu [He] Zi (2010) No. 023 and a supplementary agreement both dated 26 November 2010, a parcel of land with a site area of 45,178.28 sq.m. was contracted to be granted to Beijing Hainachuan Xiezhong Auto-Airconditioner Co., Ltd. (“Xiezhong Beijing”), which is owned as 50% by Nanjing Xiezhong Auto-Airconditioner (Group) Co., Ltd. and 50% by Beijing Hainachuan Automotive Parts Co., Ltd., for a total consideration of RMB21,320,000.
2. Pursuant to the Land Use Rights Certificate No. Jing Xing Guo Yong (2011) Chu Di 00070, the land use rights of a parcel of land with a site area of 45,178.23 sq.m. were granted to Xiezhong Beijing for a term expiring on 25 November 2060 for industrial use.
3. Pursuant to the Construction Works Planning Permit No. Jian Zi Di 110115201100198/2011Gui (Da) Jian Zi 0088, the construction project with a construction scale of 17,343.17 sq.m. is approved for construction.
4. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC Legal Advisers, which contains, inter-alia, the following information:
 - i. Xiezhong Beijing is the legal owner of the land use rights of the property and during the valid period of land use rights, Xiezhong Beijing is entitled to use, make profit, transfer, lease, mortgage or by any other legal means dispose of such portion of the property; and
 - ii. the property is free from any encumbrances.

Group III — Properties leased by the Group in the PRC

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 April 2012
4.	No. 268 Xifa Village, Yujia Town, Tongzhou District, Beijing, PRC	<p>The property comprises a single-storey warehouse building completed in 2008.</p> <p>The gross floor area of the property is approximately 674.20 sq.m. (7,257 sq.ft.).</p> <p>The property is leased from an independent third party for a term expiring on 1 January 2013 at a monthly rental of RMB6,536.70.</p>	The property is occupied by the Group for storage use.	No commercial value

Notes:

1. We have been provided with a legal opinion on the legality of the tenancy agreement issued by the Group's PRC Legal Advisers, which contains, inter-alia, the following information:
 - i. the land of the property is collective-owned land and cannot be used for non-agriculture purpose; and
 - ii. Beijing Jinlu Shunda Keji Company Limited (北京金路順達科技有限公司) leased the land on which the property is erected from Yujiawuhuizuxiang Xifacun Committee (於家務回族鄉西堡村村委會) and leased the property to Beijing Hainachuan Xiezhong Auto-Airconditioner (Group) Co., Ltd. ("Xiezhong Beijing"), which is owned as to 50% by Nanjing Xiezhong Auto-Airconditioner (Group) Co., Ltd. and 50% by Beijing Hainachuan Automotive Parts Co., Ltd.. Xiezhong Beijing may be required to stop occupying the property because the building of the property was illegally built by Beijing Jinlu Shunda Keji Company Limited.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 April 2012
5.	An office unit on Level 2, Dongjun Industrial Park, No. 88 Houguanhu Avenue, Wuhan Economic Technology Development District, Wuhan, Hubei Province, PRC	The property comprises an office unit on Level 2 of a 2-storey office building completed in 2004. The gross floor area of the property is approximately 140.00 sq.m. (1,507 sq.ft.). The property is leased for an independent third party from a term expiring on 31 December 2012 at a monthly rental of RMB2,660.	The property is occupied by the Group for office use.	No commercial value

Notes:

1. We have been provided with a legal opinion on the legality of the tenancy agreement issued by the Group's PRC Legal Advisers, which contains, inter-alia, the following information:
 - i. the owner of the property has agreed to lease the property to Hubei Leidite Xiezhong Auto-Airconditioner System Co., Ltd. ("Xiezhong Hubei"), which is owned as to 51% by Xiezhong Nanjing and 49% by Hubei Leidite Automobile Cooling System Co., Ltd.;
 - ii. the Group has applied for the registration of the tenancy agreement, but the relevant government authority has confirmed that the said application would not be processed at the moment; and
 - iii. the non-registration of the tenancy agreement does not affect its validity.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 April 2012
6.	A unit, No. 20 Yuzheng Street, Daxing District, Beijing, PRC	<p>The property comprises a unit of a single-storey building completed in 2011.</p> <p>The gross floor area of the property is approximately 33.39 sq.m. (359 sq.ft.).</p> <p>The property is leased from an independent third party from 1 November 2011 until the lessee's industrial building has been completed and moved into the new building and this term is free from rental payment.</p>	The property is occupied by the Group for office use.	No commercial value

Notes:

1. We have been provided with a legal opinion on the legality of the tenancy agreement issued by the Group's PRC Legal Advisers, which contains, inter-alia, the following information:
 - i. The lessee of the property, Beijing Hainachuan Xiezhong Auto-Airconditioner Co., Ltd ("Xiezhong Beijing"), which is owned as to 50% by Nanjing Xiezhong Auto-Airconditioner (Group) Co., Ltd. and 50% by Beijing Hainachuan Automotive Parts Co., Ltd., is entitled to occupy the property.