

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer and consultant, in connection with its valuation as at 30 April 2012 of the property interest of the Group.



JONES LANG
LASALLE®

仲
量
聯
行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No: C-030171

29 June 2012

The Board of Directors
Silverman Holdings Limited
No. 333 Yinlong Village
Boshan Economic Development Zone
Zibo City
Shandong Province
The PRC

Dear Sirs,

In accordance with your instructions to value the property held by Silverman Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interest as at 30 April 2012 (the “**date of valuation**”).

Our valuation of the property interest represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

Due to the nature of the buildings and structures of the property and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interest has therefore been valued on the basis of its depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacing the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, and official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers — Jingtian & Gongcheng, concerning the validity of the property interest in the PRC.

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

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

The site inspection was carried out in June 2011 and March 2012 by Mr. Sam Zhu, a member of the Royal Institution of Chartered Surveyors, and Mr. Shane Zhang, a Qualified Land Valuer of China.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T.W. Yiu
MRICS MHKIS RPS(GP)
Associate Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 18 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest held and occupied by the Group in the PRC

| Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 30 April 2012 RMB |
|--|---|---|---|
| A parcel of land, 14 buildings and 2 ancillary structures No. 333 Yinlong Village Boshan Economic Development Zone Zibo City Shandong Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 76,614.9 sq.m. and 14 buildings and 2 ancillary structures (2 sheds) erected thereon which were completed in various stages between 2003 and 2010.</p> <p>The buildings have a total gross floor area of approximately 56,993.26 sq.m.</p> <p>The buildings include 5 industrial buildings, 2 office buildings, 3 air compressor stations and 4 warehouses.</p> <p>The land use rights of the property have been granted for a term expiring on 25 June 2057 for industrial use.</p> | The property is currently occupied by the Group for production, office, storage and ancillary purposes. | <p>90,036,000</p> <p>100% interest attributable to the Group: RMB90,036,000</p> |

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract — No. 2007-28 entered into between Zibo Municipal State-owned Land and Resources Bureau and Zibo Yinshilai Textile Co., Ltd. (“Yinshilai Textile”, an indirect wholly-owned subsidiary of the Company), the land use rights of the property were contracted to be granted to Yinshilai Textile for a term of 50 years for industrial use. The land premium was RMB15,935,900.
- Pursuant to a State-owned Land Use Rights Certificate — Zi Guo Yong (2008) Di No. B00636 (淄國用(2008)第B00636號), the land use rights of a parcel of land with a site area of approximately 76,614.9 sq.m. have been granted to Yinshilai Textile for a term expiring on 25 June 2057 for industrial use.
- Pursuant to 9 Building Ownership Certificates — Zi Bo Shi Fang Quan Zheng Bo Shan Zi Di No. 05-1021317 to 05-1021325 (淄博市房權證博山字第05-1021317至05-1021325號), 9 buildings with a total gross floor area of approximately 53,099.7 sq.m. are owned by Yinshilai Textile.
- For the remaining 5 buildings with a total gross floor area of approximately 3,893.56 sq.m., we have not been provided with any relevant title certificate.
- Pursuant to a Tenancy Agreement and a Supplemental Tenancy Agreement, a portion of the land parcel stated in note 2 with a site area of approximately 20,617.1 sq.m. together with the building erected thereon are rented to Zibo Huiyin Textile Co., Ltd., another indirect wholly-owned subsidiary of the Company, for a term of 20 years commencing from 1 June 2008 at an annual rent of RMB60,000, exclusive of management fees, water and electricity charges.

6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Yinshilai Textile is the exclusive owner of the land use rights of the property and has obtained all necessary approvals from relevant authorities for acquiring the land use rights, and has the rights to legally occupy, use, lease, mortgage or otherwise dispose of the land;
 - b. Yinshilai Textile is the exclusive owner of the 9 buildings stated in note 3 and has the legal rights to occupy, use, lease, transfer, mortgage or otherwise dispose of these buildings;
 - c. The land use rights of the property and the 9 buildings stated in note 3 are not subject to sequestration, mortgage or other encumbrances; and
 - d. Yinshilai Textile has not obtained construction permits for the buildings stated in note 4. Therefore, Yinshilai Textile may be (i) ordered to dismantle these buildings, face the confiscation of these buildings or rectify this violation within a certain time limit according to the impact on the urban planning; and (ii) imposed a fine of up to a maximum of 10% of the construction cost.
7. In the valuation of this property, we have attributed no commercial value to the 5 buildings stated in note 4 due to lack of relevant title certificates. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land element) as at the date of valuation would be RMB5,744,000 assuming all title certificates have been obtained and the buildings could be freely transferred.