
APPENDIX IV — PROPERTY VALUATION

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at June 30, 2010 of the property interests of the Group. As described in section “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix VII, a copy of the full valuation report will be made available for public inspection.



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September 16, 2010

The Board of Directors
Boshiwa International Holding Limited
1st Floor, Windward 1
Regatta Office Park, P. O. Box 10338
Grand Cayman, KY1 1003
Cayman Islands

Dear Sirs,

In accordance with your instructions to value the properties in which Boshiwa International Holding Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests 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 values of the property interests as at June 30, 2010 (the “date of valuation”).

Our valuation of the property interests 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”.

We have valued the property interest in Group I by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

We have valued the property interest in Group II by income approach by taking into account the rental income of the property derived from the existing lease and achievable in the existing market with due allowance for the reversionary income potential of the lease, which has been then capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.

We have attributed no commercial value to the property interests in Group III, which are leased by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

Our valuation has been made on the assumption that the seller sells the property interests 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 values of the property interests.

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No allowance has been made in our report for any charge, mortgage or amount owing on any of 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 properties 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 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 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.

As the Company is in compliance with paragraph 3(b) of Practice Note 16 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and section 6 of Companies Ordinance (Exemption of Companies and Prospectuses from compliance with Provisions) Notice, the full details of the individual leased properties under operating lease have been excluded from the valuation certificates in our valuation report to this prospectus, of which a summary is included in the Summary of Values and certificate for leased properties.

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 Real Estate Title Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers—Haiwen & Partners, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties 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 properties. 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 properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

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.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

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Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 27 years' experience in the valuation of properties in the PRC and 30 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

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

| <u>No.</u> | <u>Property</u> | <u>Capital value in existing state as at June 30, 2010</u> <i>RMB</i> | <u>Interest attributable to the Group</u> | <u>Capital value attributable to the Group as at June 30, 2010</u> <i>RMB</i> |
|------------|---|--|---|--|
| 1. | Whole Block No. 78 Taigu Road Waigaoqiao Free Trade Zone Pudong New District Shanghai The PRC | 115,000,000 | 100% | 115,000,000 |
| | Sub-total: | <u><u>115,000,000</u></u> | | <u><u>115,000,000</u></u> |

Group II—Property interest held for investment by the Group in the PRC

| <u>No.</u> | <u>Property</u> | <u>Capital value in existing state as at June 30, 2010</u> <i>RMB</i> | <u>Interest attributable to the Group</u> | <u>Capital value attributable to the Group as at June 30, 2010</u> <i>RMB</i> |
|------------|--|--|---|--|
| 2. | A parcel of land and 2 buildings No. 550 Sanmen Road Yangpu District Shanghai The PRC | 14,697,000 | 100% | 14,697,000 |
| | Sub-total: | <u><u>14,697,000</u></u> | | <u><u>14,697,000</u></u> |

Group III—Property interests rented by the Group in the PRC

| <u>No.</u> | <u>Property</u> | <u>Capital value attributable to the Group as at June 30, 2010</u> <i>RMB</i> |
|------------|--|---|
| 3. | 16 leased properties located in the PRC | No commercial value |
| | Sub-total: | <u><u>Nil</u></u> |
| | | <u><u>Capital value attributable to the Group as at June 30, 2010</u></u> <i>RMB</i> |
| | Grand total: | <u><u>129,697,000</u></u> |

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VALUATION CERTIFICATE

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

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Capital value in existing state as at June 30, 2010</u> <i>RMB</i> |
|------------|---|---|--|---|
| 1. | Whole Block No. 78 Taigu Road Waigaoqiao Free Trade Zone Pudong New District Shanghai The PRC | <p>The property comprises an 11-storey composite building completed in 1995.</p> <p>The property has a gross floor area of approximately 17,857.02 sq.m.</p> <p>The land use rights of the property have been granted for terms with the expiry date on September 30, 2043 for industrial and storage uses.</p> | The property is currently occupied by the Group for ancillary office and storage purposes. | <p>115,000,000</p> <p>100% interest attributable to the Group: RMB115,000,000</p> |

Notes:

1. Pursuant to a Real Estate Sale & Purchase Contract dated November 3, 2008 entered into between Shanghai Rongli Textile Garment Limited and Shanghai Rongchen Boshiwa (Group) Co., Ltd. ("Shanghai Boshiwa"), an indirect wholly-owned subsidiary of the Company, a portion of the property with a gross floor area of approximately 11,614.78 sq.m. was purchased by Shanghai Boshiwa at a consideration of RMB45,500,000.
2. Pursuant to 2 Real Estate Title Certificates—Hu Fang Di Pu Zi (2005) Di No. 096842 and Hu Fang Di Pu Zi (2008) Di No. 076715, the land use rights of the property have been granted to Shanghai Boshiwa for terms with the expiry date on September 30, 2043 for industrial and storage uses, a building with a gross floor area of approximately 17,857.02 sq.m. is owned by Shanghai Boshiwa.
3. Pursuant to 4 Maximum Amount Mortgage Contracts dated September 9, 2008, December 24, 2008, October 6, 2009 and October 16, 2009 respectively, the land use rights and the building ownership rights of the property are subject to mortgages in favor of Bank of Communications Shanghai Branch for bank loans with the aggregate maximum amount of RMB86,100,000.
4. 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. Shanghai Boshiwa owns the title certificates of the property and is the legal user and/or owner of the property;
 - b. Shanghai Boshiwa has rights to occupy, use, benefit from and dispose of the property; and
 - c. Apart from the mortgages as stated in note 3., the property is not subject to other third party interest, sequestration by the court or any other legal enforcement measures.

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Group II—Property interest held for investment by the Group in the PRC

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Capital value in existing state as at June 30, 2010</u> <i>RMB</i> |
|------------|---|---|--|--|
| 2. | A parcel of land and 2 buildings No. 550 Sanmen Road Yangpu District Shanghai The PRC | The property comprises a parcel of land with a site area of approximately 1,271 sq.m., a 4-storey building and a single-storey building erected thereon which were completed in 1996. The buildings have a total gross floor area of approximately 2,158 sq.m. The land use rights of the property have been granted for a term commencing from December 29, 2003 and expiring on December 29, 2053 for industrial use. | The property is currently leased to an independent third party for clinical use. | 14,697,000 100% interest attributable to the Group: RMB14,697,000 |

Notes:

1. Pursuant to a Real Estate Title Certificate—Hu Fang Di Yang Zi (2005) Di No. 017921 dated June 23, 2005, the land use rights of a parcel of land with a site area of approximately 1,271 sq.m. have been granted to Shanghai Rongchen Boshiwa (Group) Co., Ltd. (“Shanghai Boshiwa”), an indirect wholly-owned subsidiary of the Company for a term commencing from December 29, 2003 and expiring on December 29, 2053 for industrial use, 2 buildings with a total gross floor area of approximately 2,158 sq.m. are owned by Shanghai Boshiwa.
2. Pursuant to a Tenancy Agreement, the property is leased to Shanghai Antai Hospital Co., Ltd. (the “Lessee”), an independent third party, for a term commencing from March 30, 2004 and expiring on March 30, 2014, at an annual starting rent of RMB500,000 for the first 2 years with 5 months rent-free period, exclusive of water and electricity charges. The annual rent will be increased by 4% every year from the third year.
3. According to a Maximum Amount Mortgage Contract dated June 12, 2008, the land use rights and the building ownership rights of the property were subject to a mortgage in favor of Bank of Communications Shanghai Branch for bank loans with the maximum amount of RMB5,000,000.
4. 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. Shanghai Boshiwa owns the title certificates of the property and is the legal user and/or owner of the property;
 - b. Shanghai Boshiwa has rights to occupy, use, benefit from and dispose of the property; and
 - c. Apart from the mortgage as stated in note 3., the property is not subject to other third party interest, sequestration by the court or any other legal restricted conditions.

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Group III—Property interests rented by the Group in the PRC

| <u>No.</u> | <u>Property</u> | <u>Description and tenure</u> | <u>Particulars of occupancy</u> | <u>Capital value in existing state as at June 30, 2010</u> <i>RMB</i> | | | | | | | | | | |
|---------------|---|---|---------------------------------|--|--------|-----------|--------|------|---------|----------|---------------|------------------|--|---------------------|
| 3. | 16 leased properties located in the PRC | <p>The properties comprise 14 commercial units, an office unit and a warehouse, completed in various stages between 1996 and 2010.</p> <p>The properties have a total lettable area of approximately 18,101.62 sq.m. and the approximate lettable areas of the properties for each usage are shown as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Usage</u></th> <th style="text-align: right;"><u>Lettable Area (sq.m.)</u></th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td style="text-align: right;">13,406.62</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">5.00</td> </tr> <tr> <td>Storage</td> <td style="text-align: right;">4,690.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">18,101.62</td> </tr> </tbody> </table> <p>The properties are rented from various independent third parties (the “Lessors”) for various terms with the expiry dates between September 30, 2010 and October 31, 2019.</p> | <u>Usage</u> | <u>Lettable Area (sq.m.)</u> | Retail | 13,406.62 | Office | 5.00 | Storage | 4,690.00 | Total: | 18,101.62 | <p>14 properties with a total lettable area of approximately 13,506.62 sq.m. are currently occupied by the Group for retail, office and storage purposes. The remaining 2 properties with a total lettable area of approximately 4,595 sq.m. are sub leased to 2 independent third parties for retail use.</p> | No commercial value |
| <u>Usage</u> | <u>Lettable Area (sq.m.)</u> | | | | | | | | | | | | | |
| Retail | 13,406.62 | | | | | | | | | | | | | |
| Office | 5.00 | | | | | | | | | | | | | |
| Storage | 4,690.00 | | | | | | | | | | | | | |
| Total: | 18,101.62 | | | | | | | | | | | | | |

Notes:

1. Pursuant to various Tenancy Agreements entered into between the Group and various independent third parties, 16 properties with an aggregate lettable area of approximately 18,101.62 sq.m. are rented to the Group for various terms with the expiry dates between September 30, 2010 and October 31, 2019.
2. Pursuant to 2 Sub-lease Agreements, 2 properties with a total lettable area of approximately 4,595 sq.m. are sub leased to 2 independent third parties for various terms with the expiry dates on November 26, 2016 and December 18, 2019 for retail use.
3. We have been provided with a legal opinion on the legality of the Tenancy Agreements of the properties issued by the Company’s PRC legal advisers, which contains, inter alia, the following:
 - a. For 15 out of the 16 properties with a total lettable area of approximately 17,301.62 sq.m., the Lessors have rights to lease the property to the Group and the Tenancy Agreements are legally binding and enforceable. For the remaining property with a lettable area of approximately 800 sq.m., the Group has not been provided with the title certificate of the property from the Lessors, so the validity of the Tenancy Agreement can not be ascertained;
 - b. 6 out of the 16 properties with a total lettable area of approximately 8,407.52 sq.m. were mortgaged; and
 - c. For all 16 properties with a total lettable area of approximately 18,101.62 sq.m, the Tenancy Agreements have not been registered. The non-registration of the Tenancy Agreements will not affect the validity of the Tenancy Agreements according to the relevant PRC laws. The Group will not be subject to any administrative penalty as a result of the non-registration of the Tenancy Agreements, except that with respect to two of the properties with a total lettable area of approximately 1,891 sq.m. which are located in Nanjing City and Qingdao City, the relevant government authorities may impose on the Group a fine for the non-registration of the Tenancy Agreements.