CIRCULAR DATED 3 AUGUST 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents of this Circular or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Forise International Limited (the "**Company**") represented by physical share certificate(s), you should immediately forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

FORISE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200804077W)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE INTEREST IN THE EQUITY AND SHARE CAPITAL OF (A) GRANDUS PTE. LTD.; (B) FUJIAN GREAT FASHION INDUSTRY CO LTD; (C) QUANZHOU GREAT GARMENTS CO., LTD; (D) GREAT (HONG KONG) LIMITED; (E) GRIXPRO TRADING (XIAMEN) CO., LIMITED; (F) GREAT (FUJIAN) TEXTILE TECHNOLOGY CO LTD; (G) GREAT WORLDWIDE (TRADING) LIMITED; (H) 3W LIFE INVESTMENT PTE. LTD.; (I) FASHVACATION PTE. LTD.; (J) 183ART MEDIA PTE. LTD.; (K) 183ART MEDIA (XIAMEN) CO., LTD (THE "SALE ENTITIES")

Independent Financial Adviser to the Independent Directors

TATA CAPITAL MARKETS PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200820715M)

IMPORTANT DATES AND TIMES:

Latest Date and Time for Lodgement of Proxy Form	:	16 August 2016 at 10.00 a.m.
Date and Time of Extraordinary General Meeting	:	18 August 2016 at 10.00 a.m.
Place of Extraordinary General Meeting	:	4 Shenton Way, SGX Centre 2, #17-01 Singapore 068807

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In this Circular, the following definitions apply throughout unless otherwise stated.

Companies, Organisations and Agencies

"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	Forise International Limited
"Group"	:	The Company and its Subsidiaries
"IFA"	:	Tata Capital Markets Pte. Ltd., the independent financial adviser to advise the Independent Directors in respect of the Proposed Disposal as an interested person transaction
"Sale Entities"	:	The operating subsidiaries of the Company (both directly and indirectly owned) in the manufacturing segment of the Group's business, comprising: (a) Grandus Pte. Ltd. ("**Grandus**"); (b) Fujian Great Fashion Industry Co Ltd ("**Fujian Great**"); (c) Quanzhou Great Garments Co., Ltd ("**Quanzhou Great**"); (d) Great (Hong Kong) Limited ("**Great Hong Kong**"); (e) Grixpro Trading (Xiamen) Co. Limited ("**Grixpro**"); (f) Great (Fujian) Textile Technology Co Ltd ("**Great Fujian Textile**"); (g) Great Worldwide (Trading) Limited ("**Great Worldwide**"); (h) 3W Life Investment Pte. Ltd. ("**3W Life**"); (i) Fashvacation Pte. Ltd. ("**Fashvacation**"); (j) 183Art Media Pte. Ltd. ("**183Art Media**"); and (k) 183Art Media (Xiamen) Co., Ltd ("**183Art Media Xiamen**")
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Specified Entities"	:	Certain operating subsidiaries of the Company (both directly and indirectly owned) in the manufacturing segment of the Group's business, comprising: (a) Grandus;

(b) Fujian Great; and

(c) Quanzhou Great

"Valuer"	:	Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd, the valuer engaged by the Company to assess the real estate appraisals of the properties held by Fujian Great and Quanzhou Great

General

"Agreement"	:	The sale and purchase agreement dated 6 April 2016 entered into between the Company and the Purchaser in relation to the Proposed Disposal
"Board" or "Directors"	:	The board of directors of the Company as at the date of the Circular
"Business Day"	:	A day (other than a Saturday, Sunday and public holiday) on which commercial banks are generally open for business in Singapore
"Circular"	:	This circular to Shareholders dated 3 August 2016
"Company Sale Proceeds"	:	The amount of proceeds that would be paid to the Company in the event that the Purchaser sells any or all of the shares of the Specified Entities to a third party for a consideration exceeding S$1.00, being an amount constituting 50% of the proceeds after deducting costs incurred by the Purchaser from such sale
"Companies Act" or "Act"	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Completion"	:	The completion of the Proposed Disposal in accordance with the terms of the Agreement
"Completion Date"	:	The date on which Completion takes place, being a date set by the Company within five (5) Business Days of the satisfaction of the Conditions Precedent
"Conditions Precedent"	:	The conditions precedent to Completion, as set out in Section 2.4 of this Circular
"Consideration"	:	S$1.00, being the consideration of the Proposed Disposal
"Constitution"	:	The Constitution of the Company, consisting the memorandum and articles of association of the Company or other regulations of the Company for the time being in force

"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (subject to the SGX-ST determining that such person is not a Controlling Shareholder), or a person who in fact exercises control over the Company
"EGM"	:	The extraordinary general meeting of the Company, notice of which is set out on pages N-1 to N-2 of this Circular
"FY"	:	The financial year ended or ending 31 December
"IFA Letter"	:	The letter dated 3 August 2016 from the IFA to the Independent Directors in relation to the Proposed Disposal as an interested person transaction, as set out in Appendix 1 of this Circular
"Independent Directors"	:	Directors who are considered independent for the purposes of making recommendations to the Independent Shareholders in respect of the Proposed Disposal as an interested person transaction, namely Wang Xin, Peng Weile, Peng Fei, Christopher Chong Meng Tak, Lee Kim Lian, Juliana and San Meng Chee
"Independent Shareholders"	:	The Shareholders who are deemed to be independent for the purposes of the Proposed Disposal as an interested person transaction, being Shareholders independent of Weng Wenwei and the parties acting in concert with Weng Wenwei
"Latest Practicable Date"	:	20 July 2016, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The SGX-ST Listing Manual, as from time to time amended, modified or supplemented
"Notice of EGM"	:	The Notice of EGM as set out on pages N-1 to N-2 of this Circular
"NTA"	:	Net tangible asset value
"Ordinary Resolution"	:	The ordinary resolution as set out in the Notice of the EGM
"PRC" or "China"	:	The People's Republic of China, excluding Hong Kong Special Administrative Region and the Macau Special Administrative Region for the purposes of this Circular and for geographical reference only
"Proposed Disposal"	:	The proposed disposal by the Company of the Sale Shares, representing all of the Company's interests in the equity and share capital of the Sale Entities, in accordance with the terms and conditions of the Agreement

"Sale Shares"	:	The entire equity and share capital of the Sale Entities, which are to be sold to the Purchaser pursuant to the Proposed Disposal
"Scenarios"	:	The two (2) scenarios used in calculating the financial effects of the Proposed Disposal, as set out in Section 5.1 of this Circular
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"Share(s)"	:	Ordinary share(s) in the capital of the Company
"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
"Subsidiary"	:	A subsidiary company as defined in Section 5 of the Companies Act
"Substantial Shareholder"	:	A person (including a corporation) who holds (directly or indirectly) not less than five per cent. (5%) of the total votes attached to all the voting Shares in the Company
"Watch-list"	:	Watch-list of the SGX-ST

Currencies and Units

"HK$"	:	Hong Kong dollars, the lawful currency of Hong Kong
"RMB" and "fen"	:	PRC Renminbi and cents respectively, the lawful currency of the PRC
"S$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"US$"	:	United States dollars, the lawful currency of the United States of America
"%" or "per cent."	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

Certain names with Chinese characters have been translated into English names for the convenience of Shareholders. Such translations may not be recognised with the relevant PRC authorities and should not be construed as representing the Chinese characters. In the event of any inconsistency between the official Chinese names and the translated English names, the official Chinese names shall prevail.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "believe", "estimate", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update or revise any forward-looking statements for any reason, even if information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

FORISE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200804077W)

Board of Directors:

Wang Xin (Executive Chairman)
Peng Weile (Executive Director)
Peng Fei (Executive Director)
Christopher Chong Meng Tak (Lead Independent Director)
Lee Kim Lian, Juliana (Independent Director)
San Meng Chee (Independent Director)

Registered Office:

80 Raffles Place
#11-20 UOB Plaza
Singapore 048624

Date: 3 August 2016

To: The Shareholders of Forise International Limited

Dear Sir/Madam

THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE INTEREST IN THE EQUITY AND SHARE CAPITAL OF THE SALE ENTITIES

1. INTRODUCTION

1.1 Proposed Disposal

1.1.1 The Company had on 6 April 2016 announced that it had on 6 April 2016 entered into a sale and purchase agreement ("**Agreement**") with Weng Wenwei (the "**Purchaser**"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase, all of the Company's interest in the equity and share capital (the "**Sale Shares**") in the following directly and indirectly owned subsidiaries of the Company (the "**Proposed Disposal**"), free from all encumbrances and together with all rights, dividends, benefits and entitlements attaching therefrom as from Completion (as defined below), at the Consideration of S$1.00:

(a) Grandus Pte. Ltd. ("**Grandus**");

(b) Fujian Great Fashion Industry Co Ltd ("**Fujian Great**");

(c) Quanzhou Great Garments Co., Ltd ("**Quanzhou Great**");

(d) Great (Hong Kong) Limited ("**Great Hong Kong**");

(e) Grixpro Trading (Xiamen) Co. Limited ("**Grixpro**");

(f) Great (Fujian) Textile Technology Co Ltd ("**Great Fujian Textile**");

(g) Great Worldwide (Trading) Limited ("**Great Worldwide**");

(h) 3W Life Investment Pte. Ltd. ("**3W Life**");

(i) Fashvacation Pte. Ltd. ("**Fashvacation**");

(j) 183Art Media Pte. Ltd. ("**183Art Media**"); and

(k) 183Art Media (Xiamen) Co., Ltd ("**183Art Media Xiamen**")

1.1.2 The other subsidiaries of the Company, being the subsidiaries remaining in the Group upon completion of the Proposed Disposal, are Great Holding Limited, Great Fashion Trading (Shanghai) Limited, Great Brand Management Limited and Forise Management Limited.

1.1.3 The Proposed Disposal is governed by Chapter 10 of the Listing Manual. As the relative figures calculated pursuant to Rule 1006(a) and Rule 1006(b) exceed 20%, the Proposed Disposal will be classified as a "major transaction" within the meaning of Rule 1014 of the Listing Manual, and will be subject to the approval of the Shareholders of the Company. Further, as Weng Wenwei was an "interested person", the Proposed Disposal is an interested person transaction governed by Chapter 9 of the Listing Manual and requires approval of the Independent Shareholders of the Company.

1.2 Extraordinary General Meeting

As such, the Directors are convening the EGM to be held at 10.00 a.m. on 18 August 2016 at 4 Shenton Way, SGX Centre 2 #17-01, Singapore 068807, to seek Independent Shareholders' approval for the Proposed Disposal. Please refer to Section 6 of this Circular for more information on the relative figures calculated pursuant to Rule 1006 of the Listing Manual.

1.3 Purpose of the Circular

1.3.1 The purpose of this Circular is to provide Shareholders with relevant information pertaining to, and to explain the rationale for the Proposed Disposal, as well as to seek Shareholders' approval for the Ordinary Resolution to be tabled at the forthcoming EGM. The Notice of EGM is set out on pages N-1 to N-2 of this Circular.

1.3.2 This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is dispatched to by the Company) or for any other purpose.

2. THE PROPOSED DISPOSAL OF THE SALE ENTITIES

2.1 Information on the Sale Entities

2.1.1 The Sale Entities comprises the following subsidiaries of the Company, previously engaged in the manufacturing and production of the garments for sale by the Group:

Name of the Sale Entity	Place of incorporation	Year of incorporation	Principal business	Registered Capital (for Sale Entities incorporated in the PRC)/Issued and Paid up Capital (for Sale Entities not incorporated in the PRC)	Investment in Sale Entity (RMB)	Shareholder loans extended to Sale Entity	Date of extension of shareholder loans to Sale Entity	Status of the shareholder loans extended to Sale Entity	How much has been written down from such investments and loans to Sale Entity	Justification for write-offs
Grandus	Singapore	20 March 2014	Holding Company	S$1,000	4,855.10	N.A.	N.A.	N.A.	4,855.10	Impairment Allowance provided (see note 2 below)
Fujian Great	PRC	27 May 2005	Producing Garments, apparel products and weaving	HK$100 million	187,898,131.56	N.A.	N.A.	N.A.	187,898,131.56	Impairment Allowance provided (see note 2 below)
Quanzhou Great	PRC	31 July 2000	Producing garments, weaving, ribbon, printing, shoes, hats and bags (exporting the commodity which is not related with the management of the export permit quota	HK$10 million	22,060,000.00	N.A.	N.A.	N.A.	22,060,000.00	Impairment Allowance provided (see note 2 below)
Great Hong Kong	Hong Kong	17 February 2011	Trading	HK10,000	8,442.00	N.A.	N.A.	N.A.	8,442.00	Impairment Allowance provided (see note 2 below)

Name of the Sale Entity	Place of incorporation	Year of incorporation	Principal business	Registered Capital (for Sale Entities incorporated in the PRC)/Issued and Paid up Capital (for Sale Entities not incorporated in the PRC)	Investment in Sale Entity (RMB)	Shareholder loans extended to Sale Entity	Date of extension of shareholder loans to Sale Entity	Status of the shareholder loans extended to Sale Entity	How much has been written down from such investments and loans to Sale Entity	Justification for write-offs
Grixpro	PRC	5 July 2011	Wholesale of apparel, footwear, headwear, boxes, fabrics and accessories, as well as the import and export business	US$500,000	3,066,458.56	N.A.	N.A.	N.A.	3,066,458.56	Impairment Allowance provided (see note 2 below)
Great Fujian Textile	PRC	28 November 2013	Production, trading, sales and distribution of textile and apparel	RMB50 million	7,459,089.00	N.A.	N.A.	N.A.	7,459,089.00	Impairment Allowance provided (see note 2 below)
Great Worldwide	British Virgin Islands	10 February 2009	Sales and distribution of garments and apparel production	US$1	6.83	N.A.	N.A.	N.A.	6.83	Impairment Allowance provided (see note 2 below)
3W Life	Singapore	25 May 2012	Trading	S$1	6.83	N.A.	N.A.	N.A.	6.83	Impairment Allowance provided (see note 2 below)

Name of the Sale Entity	Place of incorporation	Year of incorporation	Principal business	Registered Capital (for Sale Entities incorporated in the PRC)/Issued and Paid up Capital (for Sale Entities not incorporated in the PRC)	Investment in Sale Entity (RMB)	Shareholder loans extended to Sale Entity	Date of extension of shareholder loans to Sale Entity	Status of the shareholder loans extended to Sale Entity	How much has been written down from such investments and loans to Sale Entity	Justification for write-offs
Fashvacation	Singapore	7 March 2013	Fashion Branding	S$100	494.00	RMB1,188,226.00	2013	Impaired.	1,188,720.00	Impairment Allowance provided (see notes 1 & 2 below)
183Art Media	Singapore	9 April 2014	Other investment holding company	S$100	252.00	RMB481,714.00	2014	Impaired	481,966.00	Impairment Allowance provided (see notes 1 & 2 below)
183Art Media Xiamen	PRC	16 June 2014	Promotion of arts and culture, creative products design and events management	RMB3 million	493,630.00	N.A.	N.A.	N.A.	493.630.00	Impairment Allowance provided (see note 2 below)

Notes:

(1) Note on advances to Sales Entities: As of 31 December 2015, the Company has balances owing to the Sales Entities of RMB54.73 million which cumulated through the years, mainly arising from support provided by the Sale Entities to the holding corporation operational costs and intergroup revenues. These balances will be waived off by the companies concerned.

(2) As at 31 December 2015, the Company has provided impairment allowances after carrying out a review on the recoverable amounts of its investments and advances to the subsidiaries of the Group. The management is of the view that as the subsidiaries are in net liabilities position and the contract manufacturing business had ceased operations at the end of the financial year, and coupled with the continuous poor performance and bank borrowing liabilities of RMB233 million, the recoverable amount is deemed as nil.

2.1.2 The significant assets held by each of the Sale Entities, and the values of such assets (before depreciation and/or provision) are as follows:

Table (A)

Name of Sale Entity	Significant Assets	Value
Grandus	N.A.	N.A.
Fujian Great	Please refer to Table (B) below	
Quanzhou Great	Please refer to Table (B) below	
Great Hong Kong	N.A.	N.A.
Grixpro	N.A.	N.A.
Great Fujian Textile	N.A.	N.A.
Great Worldwide	Please refer to Table (B) below	
3W Life	N.A.	N.A.
Fashvacation	N.A.	N.A.
183Art Media	N.A.	N.A.
183Art Media Xiamen	N.A.	N.A.

Table (B)

Company	Significant Assets	Gross Value (RMB)	Net Value (RMB)	Remarks
Fujian Great	Cash	35,303,025	35,303,025	Pledged to bank
	Trade and other receivables	156,983,007	38,124,148	
	Inventories	16,274,435	8,237,437	
	Fixed assets	170,176,632	35,682,608	Pledged to bank
	Intangible assets	16,320,920	14,235,669	Pledged to bank
Quanzhou Great	Cash	5,814,490	5,814,490	Pledged to bank
	Trade and other receivables	25,321,663	1,710,971	
	Inventories	14,448,213	2,465,924	
	Fixed assets	5,128,192	1,883,861	Pledged to bank
	Intangible assets	1,309,765	917,231	Pledged to bank
Great Worldwide	Trade and other receivables	84,812,273	1,855,945	

2.1.3 The Group had engaged Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd. to conduct real estate appraisals in relation to the properties held by Quanzhou Great and Fujian Great. The Valuer is a registered property valuation firm under Fujian Province Real Estate Valuation Management Committee. It has the certification/qualification to conduct valuation work in, *inter alia*, the areas of fixed assets valuation, current assets valuation, property valuation, land use rights valuation, and intangible assets valuation. The Valuer was established in year 1993, and is one of the earliest property valuation firm operated in Fujian province. It is regarded as one of the valuer firm which possesses the most complete of qualification on valuation, and has the largest numbers of registered valuers, appraisers, and professional employees. Based on the statistics released by Fujian Province Real Estate Valuation Management Committee, the firm's revenue has achieved 1st ranking for six (6) consecutive years (2007 until 2012) in the province. Besides, in 2015, the firm was ranked at the 80th position on the China Asset Valuation Agencies Evaluation Top 100 list.

2.1.4 The Valuer had in January 2016 undertaken a valuation on the following:

(a) In respect of Fujian Great, a valuation was undertaken on three (3) land parcels for industry purposes and three (3) buildings built on these land parcels, which are located on No. 200708 land block in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City, and all of which are owned by Fujian Great. The Valuer has adopted the benchmark land price-base correction method and the cost method in valuing the land parcels and buildings, and concluded that the value of the aforementioned land and buildings is RMB59,429,000; and

(b) In respect of Quanzhou Great, a valuation was undertaken on one (1) land parcel for industry purpose and two (2) buildings built on this land parcel, located at Jiangnan Industrial Park, all of which are owned by Quanzhou Great. The Valuer has adopted the benchmark land price-base correction method and the cost method in valuing the land parcel and buildings, and concluded that the value of the aforementioned land and buildings is RMB10,186,000.

2.1.5 The aggregate appraised amounts of approximately RMB69.62 million is higher than the aggregate book value of those assets that were subject to the valuation. The aggregate book value stood at RMB53.86 million, and the appraised amounts have not been taken into the calculation of the net liabilities position of the Sale Entities. The difference between the appraised value and the book value is below RMB20 million which is not material relative to the aggregate liabilities of the Sale Entities targeted for disposal. Should the appraised amounts be taken into consideration in the calculation of the net liabilities position of the Sale Entities, the Sale Entities will still remain in an aggregate net liability position.

2.1.6 The Group's businesses consist principally of its garment manufacturing business, which comprises mainly of the design, manufacture, distribution and sale of men's and women's undergarments, children's and infants' apparel. Alongside its manufacturing business, the Group is also engaged in the trading of garments, e-commerce and internet sales.

2.1.7 Following the cessation of its manufacturing operations, the Company intends to dispose of the excess assets related to the manufacturing segment of the Group's business. This would be by way of divestment of the Sale Entities engaged in the manufacturing and

production of garments. The Group will retain and focus on its business in the trading of garments, which will be carried out by the remaining companies of the Group, and principally through Great Holding Limited.

2.2 Information on the Purchaser

The Purchaser, Mr. Weng Wenwei, is the founder of the Group, a Substantial Shareholder and a former Director of the Company. The Purchaser has been a Director of the Company since 29 February 2008, has been redesignated as non-executive Director on 12 November 2015 and has resigned as Director of the Company on 16 March 2016. The Purchaser is currently interested (directly and deemed) in a total of 161,500,000 Shares, representing 7.58% of the issued share capital of the Company.

2.3 Consideration

2.3.1 The Consideration for the Sale Shares shall be the aggregate amount of S$1.00, payable by the Purchaser upon Completion, in cash and in Singapore dollars.

2.3.2 The nominal Consideration of S$1.00 is arrived at on a willing buyer willing seller basis after arm's length negotiations, and taking into account the following:

(a) The aggregate negative net asset value of the Sale Entities of RMB101.94 million and the aggregate amount of losses attributable to the Sale Entities of RMB167.96 million as at 31 December 2015;

(b) The Sale Entities have aggregate bank borrowings amounting to approximately RMB233 million as at 31 December 2015;

(c) The Group has been loss making for the past four (4) financial years;

(d) In the event that the Purchaser sells the shares of Grandus, Fujian Great and Quanzhou Great (the "**Specified Entities**") to a third party for a consideration exceeding S$1.00, the Group will be entitled to the Company Sale Proceeds in accordance with paragraph 2.3.3 below. The Company has excluded Great Fujian Textile from the Specified Entities despite its significant registered capital as Great Fujian Textile has no material assets to dispose as evidenced by the accumulated losses incurred over the years which have reduced its asset value significantly. The net asset value of Great Fujian Textile of RMB1,096,250, as depicted in the table in paragraph 2.3.3 below, arose from its paid up registered capital of approximately RMB7.46 million, less the accumulated losses incurred by Great Fujian Textile over the years. The assets of Great Fujian Textile are principally represented by slow moving accounts receivables. Great Fujian Textile is not included in the Specified Entities as it has no fixed or other material assets save for the slow moving accounts receivables, and such accounts receivables is regarded as being part of the working capital of the Sale Entities for use by the Purchaser subsequent to the Proposed Disposal, akin to the working capital in the other Sale Entities. In respect of the Specified Entities, notwithstanding the negative net asset value, they contain material fixed assets and therefore the Company wishes to reserve the right to a share of the profits in the event of a successful sale. Accordingly, the Board confirms that it is of the view that it is in the interest of the Company to exclude Great Fujian Textile from the Specified Entities; and

(e) The Company had placed advertisements in local newspapers in the PRC in 2014, 2015 and 2016 to source for buyers for the Specified Entities but was not successful. Such advertisements had not yielded any enquiries or proposals from interested buyers.

2.3.3 In particular, the aggregate negative net asset value of the Sale Entities is due to cumulative losses over the years, bank borrowings and other liabilities that had exceeded the assets of the Sales Entities. The assets of the Sales Entities are mainly receivables and inventories that had been impaired and/or written down to its realizable value. The breakdown of the aggregate negative net asset value and aggregate amount of losses stipulated in paragraph 2.3.2(a) is set out in the table below:

Sales Entities	(Negative Net Assets)/ Net Assets	Revalued (Negative Net Assets)/ Net Assets	(Losses)/ Profits
Grandus	6,799	6,799	6,799
Fujian Great	(19,166,709)	(10,903,490)	(47,503,976)
Quanzhou Great	(17,649,762)	(10,164,141)	(47,114,803)
Great Hong Kong	(1,599,062)	(1,599,062)	(1,754,588)
Grixpro	(697,252)	(697,252)	(3,355,421)
Great Fujian Textile	1,096,250	1,096,250	(6,703,628)
Great Worldwide	(63,791,475)	(63,791,475)	(18,053,655)
3W Life	(2,329)	(2,329)	(44,940,015)
Fashvacation	(89,572)	(89,572)	946,447
183 Art Media	2,708	2,708	511,650
183Art Media Xiamen	(48,914)	(48,914)	–
Total	**(101,939,318)**	**(86,190,478)**	**(167,961,189)**

2.3.4 The breakdown of the bank borrowings referred to in paragraph 2.3.2(b) above is as follows:

Company	Name of Bank	Facilities
Fujian Great	Bank of China	Working capital loan and trade financing
	Industrial Commercial Bank of China	Working capital loan and trade financing
	China Merchants Bank – Jiang Nan Branch	Trade financing
	Hua Xia Bank (Quanzhou) Branch	Working capital loan and trade financing
	China Everbright Bank – Quanzhou Branch	Working capital loan and trade financing

Company	Name of Bank	Facilities
	Shanghai Pudong Development Bank – Quanzhou Branch	Working capital loan
	Xiamen International Bank – Quanzhou Branch	Working capital loan
Quanzhou Great	Bank of Communications – Quanzhou Branch	Working capital loan and trade financing
	Construction Bank of China	Working capital loan and trade financing

2.3.5 It has also been agreed in the Agreement that, subject to there having been Completion, for a period of two (2) calendar years from Completion, in the event that the Purchaser shall sell any or all of the shares of the Specified Entities to a third party for a consideration exceeding S$1.00, the Purchaser shall, after deducting costs incurred by the Purchaser from such sale, pay to the Company an amount constituting 50% of the remaining proceeds ("**Company Sale Proceeds**"). Such Company Sale Proceeds shall be paid by the Purchaser to the Company within seven (7) days from the sale. The Purchaser had further agreed that any such sale shall be carried out at a price that is not less than the valuation of the Sale Shares and/or Sale Entities, such valuation to be carried out by a valuer acceptable to the Company, and such valuation report to be dated no earlier than six (6) months from the date of the agreement for such sale.

2.3.6 The Company had placed advertisements in local newspapers in the PRC in 2014, 2015 and 2016 to source for buyers for the Specified Entities but was not successful. In addition, the Board has formed the view that recent economic conditions in the PRC, coupled with the high levels of debt and borrowings, will make it even more difficult to secure any buyers prepared to purchase the Specified Entities and to assume the debt. The Company has therefore included the sharing of the consideration out of an abundance of caution in the event that the Purchaser does manage to find a third party buyer especially with such heavy bank debts in the Specified Entities. The Purchaser is willing to take over the Sales Entities and had agreed to be responsible for all the liabilities incurred including the substantial bank debts as the Purchaser and his wife are personally guarantors of the bank debts. The Company is of the view that by setting the percentage at only 50% will provide the Purchaser sufficient incentive to secure buyers, should the Purchaser be able to, while allowing the Company to retain a share of the gains from any subsequent sale. After much negotiation, the Purchaser is willing to share a maximum 50% of the sale proceeds in the event that the Purchaser sells any of the shares of the Specified Entities.

2.3.7 In this respect, the Company intends to extend the escrow over the 161,500,000 Shares held by the Purchaser (both directly and indirectly) to cover the Purchaser's liability. The Company further notes that (a) the Purchaser has entered into the Agreement under his personal name and will therefore be liable personally in the event of default of the Agreement, and (b) the Purchaser and his wife remain personally liable as guarantors, and fixed assets of the Specified Entities (land and buildings of valuation at RMB69 million) and cash of approximately RMB30.0 million are pledged, for the Specified Entities' bank borrowings of approximately RMB202.9 million as at the Latest Practicable Date and so any sale by the Purchaser will require substantial unwinding of these guarantees, which the Company expects to be difficult given the quantum of the bank borrowings.

2.3.8 The Company shall independently check that Purchaser had not sold the shares of the Specified Entities once in six (6) months, and at the end of two (2) years, as follows:

(a) The Purchaser is required to send to the Company, at least once a month, the Business Licence Detailed Profile or the Business Profile Search results of each of the Specified Entities, The Business License Detailed Profile is extracted from the PRC local Industry and Commerce Administration Bureau, while the Business Profile Search results are extracted from the Accounting and Corporate Regulatory Authority of Singapore, and each of them will indicate the existing shareholders of the respective Specified Entities at the time of extraction; and

(b) Once every six (6) months, the Company will carry out its independent search at the PRC Industry and Commerce Administration Bureau and the Accounting and Corporate Regulatory Authority of Singapore.

2.3.9 The Company's auditors, company secretary or legal advisers will be requested to review the procedures stipulated in paragraph 2.3.8(a) and 2.3.8(b) above. The Company will make the relevant announcements to disclose the results of such review whenever they are undertaken during the 2-year period. The Audit Committee will also review the results of the searches and procedures put in place as stipulated in paragraph 2.3.8 above to ascertain the status of share ownership of the Specified Entities. In addition, under the terms of the Agreement, the Purchaser is obligated to allow the auditors and other representatives of the Company access to the accounting and other records of the Specified Entities and the Company intends to exercise such rights to monitor compliance with the terms of the Agreement subsequent to Completion. The Purchaser is also obliged to inform the Company if any of the shares of the Specified Entities have been sold. This will be announced with details of the sale.

2.4 Conditions Precedent

2.4.1 Completion of the Proposed Disposal is subject to the following Conditions Precedent:

(i) the Sale Entities having, as at and since 31 December 2015 to Completion, a consolidated net liability position based on Singapore Financial Reporting Standards, as determined by the Company;

(ii) the approval of the Shareholders being obtained at an extraordinary general meeting of the Company (or any adjournment thereof) in respect of the transactions contemplated in this Agreement;

(iii) upon Completion, the SGX-ST not ruling the Company as a cash company where its assets consist wholly or substantially of cash or short-dated securities pursuant to Rule 1303(2) of the Listing Manual;

(iv) the execution of any necessary deeds of waiver and release, in form and on terms and by such persons as notified by the Company to the Purchaser, relating to the waiver and discharge of the debts, liabilities and obligations owing or owed by the Company and such subsidiaries of the Company as at Completion to the Sale Entities;

(v) all necessary approvals of any third party in the view of the Company necessary or desirable in connection with the transactions contemplated in the Agreement;

(vi) the Purchaser providing the charge over his Shares and such other collateral and security as may be required by the Company to secure all the Purchaser's obligation under the Agreement; and

(vii) the Purchaser having performed all of the covenants and undertakings required to be performed by it under the Agreement on or before the Completion (other than those required to be performed at Completion).

2.4.2 If the Conditions Precedent are not fulfilled by 31 December 2016 (unless waived by the Company), the Agreement shall terminate and neither party shall have any claim against the other for costs, damages, compensation or otherwise, save in respect of any antecedent breach of the Agreement.

2.5 Completion of the Proposed Disposal

2.5.1 Completion of the Proposed Disposal shall take place on such date falling five (5) Business Days after the date on which all the Conditions Precedent have been fulfilled or otherwise waived in writing ("**Completion Date**").

2.5.2 The Parties had agreed in the Agreement that all risks and rewards of and associated with the Sale Shares shall be deemed to have passed to and accrue to and for the Purchaser as from 1 January 2016.

2.5.3 Upon Completion, the Purchaser shall procure that each of the Sale Entities irrevocably waives and terminates all debts, liabilities and obligations owing or owed by the Company and each of the subsidiaries of the Company as at Completion, to the Sale Entities.

2.5.4 The Purchaser had also in the Agreement undertaken that:

(a) the Purchaser shall bear any and all taxes imposed on the Company in connection with any of the Sale Entities, whether in Singapore, PRC or elsewhere, and whether arising in relation to activities occurred prior to the sale, during the sale, and after the sale, of such Sale Entities, including without limitation to the foregoing, taxes arising from the transactions contemplated under the Agreement and the purchase by the Company whether directly or through its subsidiary at such time, of any of the Sale Entities, and will comply with all applicable laws and regulations relating to such taxation, and the Purchaser shall, on demand by the Company, pay to the Company the amount of such taxes;

(b) the Purchaser shall charge his Shares to a party nominated by the Company, for such period and on such terms to be agreed between the parties, or provide to the Company such other collateral or security as may be determined by the Company in its sole discretion, to secure all the obligations of the Purchaser under the Agreement. The Company intends to appoint Harry Elias Partnership LLP, a law firm, as escrow agent for the Shares;

(c) commencing from the date of the Agreement and continuing after the Completion Date, grant to the Company and its auditors reasonable access to the accounting records and other business records of the Sale Entities made for the period until Completion Date, to make copies thereof, to disclose such records, as well as to arrange for the audit of such accounting records, to allow the Company to verify the figures in the accounting records of the Sale Entities and to comply with its

obligations under the Companies Act, the relevant accounting standards, the disclosure obligations under the Listing Manual as well as for the purposes of the Agreement; and

(d) commencing from the date of the Agreement until the Completion Date, to provide the management accounts of the Sale Entities for each quarterly period ending 31 March, 30 June, 30 September and 31 December, prepared in accordance with the Singapore Financial Reporting Standards, within 30 days of each quarterly period.

3. RATIONALE OF THE PROPOSED DISPOSAL AND THE USE OF PROCEEDS

3.1 Rationale of the Proposed Disposal

3.1.1 As announced in the Company's financial results for the year ended 31 December 2015, the Board, after undertaking a strategic and special review of the businesses of the Company, is of the opinion that it is difficult for the manufacturing component of its garment business (excluding the trading business) to turn around in the near term. The Company has since ceased the manufacturing operations in the quarter ended 31 December 2015 and has disposed of all the machineries of its production facilities held under its two (2) main manufacturing subsidiaries to various third parties, retrenched all production workers and leased out its factory premises.

3.1.2 Following the cessation of its manufacturing operations, the Company intends to dispose of the excess assets related to the manufacturing segment of the Group's business. This would be by way of divestment of the Sale Entities engaged in the manufacturing and production of garments. The Group will retain and focus on its business in the trading of garments, which will be carried out by the remaining companies of the Group, and principally through Great Holding Limited.

3.1.3 The Company estimates that for the financial year ended 31 December 2015, the trading business comprised approximately 10% of the Group's total revenue, amounting to approximately RMB32 million. The trading business has been profitable. As at May 2016, the Group's revenue and profits from its trading business is estimated at approximately RMB24.86 million and RMB1.6 million respectively. This is supported by inventory of approximately RMB0.10 million as at the Latest Practicable Date. The revenue for the trading business is expected to grow, and the Company intends to continue and grow the trading business further.

3.1.4 The Company has also, on 23 June 2016, obtained the approval of the Shareholders at an extraordinary general meeting, to diversify the business of the Group into the provision of corporate advisory and management consulting services to corporations.

3.1.5 Upon completion of the Proposed Disposal, the Company is able to operate as a going concern. As at the Latest Practicable Date, and upon the Proposed Disposal, the current assets of the Company will be approximately RMB77.1 million (including RMB36.9 million of cash), which exceed the aggregate liabilities of the Company of RMB37.1 million. The remaining business will also be able to operate as a going concern, assuming that the profitability of the trading business continues. The Group has focused on better margin trading business and expects to continue to maintain this strategy for FY2016. As of the first quarter ended 31 March 2016, the trading business had performed well and the Board is cautiously optimistic that the trading business will be able to maintain its performance,

as the trading business does not require substantial capital investment and cost, and the Group is able to rely on its existing expertise, clientele and network to achieve profitability. While the PRC economy is slowing down, garments are daily necessities and its demand should not decline significantly. Further, as the world economy is also slowing down, cheaper garments from the PRC will also be more attractive to the consumers.

3.1.6 The trading business has been operating within the Group even before the Proposed Disposal. With the disposal of the Sale Entities, the results from the remaining business will not be negated by the losses from the Sale Entities and will therefore result in an improvement in the profitability and financial position of the Group compared to the preceding three (3) completed financial years. The current efforts of the Board are directed towards meeting the requirements for the Company to exit from the watch list.

3.1.7 The Purchaser was the founder of the Group. The Purchaser has indicated his willingness to acquire the Sale Entities and assume any liabilities and further losses arising from the Sale Entities. Consequently, the Board has decided to sell the Sale Entities to the Purchaser at a nominal Consideration of S$1.00.

3.1.8 Following Completion, the Purchaser may either utilize the Sale Entities for purposes unrelated to that of the Company, liquidate or dispose of certain of the Sale Entities. Subject to there having been Completion, for a period of two (2) calendar years from Completion, in the event that the Purchaser disposes of any or all of the shares of the Specified Entities at a consideration higher than that of S$1.00, the Agreement provides that after deducting such costs incurred by the Purchaser from such sale, the Purchaser shall pay to the Company the Company Sale Proceeds.

3.1.9 The excess of the proceeds over the negative net asset value of the Sale Entities is approximately RMB101.94 million as at 31 December 2015. The Company is expected to recognise a gain on disposal of approximately RMB168 million, being a net gain on the Proposed Disposal after deducting the professional fees, and miscellaneous fees such as printing costs and other costs related to the holding of the EGM.

3.2 Use of Proceeds

Considering that the Consideration is nominal, there will be no net proceeds arising from the Proposed Disposal. However, in the event that the Purchaser sells any or all of the Specified Entities and the Company is entitled to the Company Sale Proceeds, the Company intends to utilise such sale proceeds for general working capital purposes.

4. STRUCTURE OF THE GROUP FOLLOWING THE PROPOSED DISPOSAL

4.1 Following the Proposed Disposal, the Group's remaining businesses will be as follows:

(a) Business of the trading of garments, which will be carried out principally through Great Holding Limited; and

(b) Business of providing strategic planning, corporate advisory, financial restructuring advisory and management consulting services, which will be carried out principally through Forise Management Limited.

4.2 Please refer to Appendix 2 of this Circular for the post-Completion Group structure.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Disposal.

The financial effects have been prepared on a proforma basis using the latest audited consolidated financial statements of the Group for FY2015.

5.1 Effect of Proposed Disposal on NTA per Share

5.1.1 Assuming that the Proposed Disposal had been completed on 31 December 2015, the Group's tangible assets will be RMB38.63 million as at 31 December 2015, which include the following:

Tangible Assets	Value
Cash	RMB38.34 million
Receivables and inventories	RMB0.14 million
Fixed assets (net)	RMB0.15 million
Total	**RMB38.63 million**

5.1.2 Assuming that the Proposed Disposal had been completed on 31 December 2015 and based on the Group's latest audited consolidated financial statements for FY2015, the effects on the NTA per Share of the Group under the following scenarios ("**Scenarios**") are as follows:

(a) Scenario 1 – Assuming that none of the remaining unexercised 118,000,000 warrants issued to SAPO Investments Pte. Ltd. ("**SAPO Warrants**") have been exercised; and

(b) Scenario 2 – Assuming that 118,000,000 new Shares have been issued pursuant to the exercise of all unexercised 118,000,000 SAPO Warrants.

As at 31 December 2015	Before Completion of the Proposed Disposal		After Completion of the Proposed Disposal	
	Scenario 1	Scenario 2	Scenario 1	Scenario 2
NTA	(117,263,532)	(107,735,381)	36,022,791	45,550,941
Number of issued Shares	2,130,000,000	2,248,000,000	2,130,000,000	2,248,000,000
NTA per Share (RMB fen)	(5.51)	(4.79)	1.69	2.03

5.2 Effect of Proposed Disposal on Earnings/(Loss) per Share

5.2.1 Assuming that the Proposed Disposal has taken place on 1 January 2015 and based on the Group's latest audited consolidated financial statements for FY2015, the Proposed Disposal would have the following effects on the Group's earnings/(loss) per Share under each of the Scenarios, as presented in the following table:

As at 31 December 2015	Before Completion of the Proposed Disposal		After Completion of the Proposed Disposal	
	Scenario 1	Scenario 2	Scenario 1	Scenario 2
Consolidated net loss attributable to Shareholders	(188,882,675)	(188,882,675)	(20,921,486)	(20,921,486)
Weighted average number of Shares	942,493,151	1,060,493,151	942,493,151	1,060,493,151
Earnings/(loss) per Share (RMB fen)	(20.04)	(17.81)	(2.22)	(1.97)

5.3 Effect of Proposed Disposal on Group's Gearing

5.3.1 Assuming that the Proposed Disposal has taken place on 31 December 2015 and based on the Group's latest audited consolidated financial statements for FY2015, the Proposed Disposal would have the following effects on the Group's gearing as presented in the following table:

As at 31 December 2015	Before the Proposed Disposal	After the Proposed Disposal
Gearing (times)	Not meaningful	0.12

5.3.2 The Sale Entities have an aggregate negative net asset value of RMB101.94 million and aggregate amount of losses attributable to them of RMB167.96 million as at 31 December 2015.

5.4 Effect of Proposed Disposal on Company's Share Capital

The Proposed Disposal will have no effect on the share capital of the Company.

6. FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

6.1 Based on the audited consolidated financial statements of the Group for FY2015, the relative figures in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

	Target Group	Group	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 31 December 2015.	RMB(101,939,318)	RMB(132,696,714)	76.82%
Rule 1006 (b) The net profits attributable to the assets disposed of as at 31 December 2015, compared with the Group's net profits as at 31 December 2015.	RMB(167,961,189)	RMB(188,882,675)	88.92%
Rule 1006 (c) Aggregate value of consideration given or received, compared with the market capitalisation of the Company as at 5 April 2016, being the last full market day immediately preceding the execution of the Agreement.	S$1.00	S$34,080,000[(1)]	Not meaningful
Rule 1006 (d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable	Not applicable	Not applicable
Rule 1006 (e) The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is only applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable	Not applicable	Not applicable

Note:

(1) The market capitalisation of the Company of approximately S$34,080,000 is determined by multiplying 2,130,000,000 Shares in issue by the volume weighted average price of S$0.016 of such Shares transacted as at 5 April 2016, being the market day preceding the date of the Agreement.

6.2 As the relative figures calculated pursuant to Rules 1006(a) and 1006(b) exceed 20%, the Proposed Disposal will be classified as a "major transaction" within the meaning of Rule 1014 of the Listing Manual, and will be subject to the approval of the Shareholders.

7. INTERESTED PERSON TRANSACTION

7.1 Interested Persons

As at the Latest Practicable Date, the Purchaser has an interest (directly and deemed) in a total of 161,500,000 Shares, representing 7.58% of the issued share capital of the Company. When discussions on the Proposed Disposal commenced between the Company and the Purchaser, the Purchaser was a Controlling Shareholder and Director of the Company. The Purchaser was previously a Director of the Company, and had resigned on 16 March 2016. The Purchaser was previously a Controlling Shareholder of the Company, and had ceased to be a Controlling Shareholder on 6 November 2015. Accordingly, the Purchaser is regarded as an "interested person" within the meaning of Chapter 9 of the Listing Manual.

7.2 Materiality Thresholds under Chapter 9

7.2.1 Under Chapter 9 of the Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5% of the Group's latest audited NTA, Shareholders' approval is required in respect of the transaction.

7.2.2 Based on the Group's latest audited accounts for the financial year ended 31 December 2015, the NTA of the Group as at 31 December 2015 is approximately negative RMB117.26 million. The value of the Proposed Disposal is S$1.00 or approximately RMB4.848 (based on an exchange rate of S$1:RMB4.848 as at 14 June 2016).

7.2.3 As the Group has a negative NTA, the materiality of the Proposed Disposal as an interested person transaction cannot be meaningfully measured. Nevertheless, and notwithstanding that the value of the Proposed Disposal is below S$100,000, the Company, for good order, is seeking the approval of the Independent Shareholders for the Proposed Disposal as an interested person transaction under Chapter 9 of the Listing Manual at the EGM.

7.3 Other interested person transactions

The current total value of all interested person transactions, excluding transactions which are less than $100,000, with (a) the Purchaser and its associates; and (b) all interested persons of the Company, for the period from 1 January 2016 to the Latest Practicable Date (prior to and including the Proposed Disposal), and the percentage of the Group's latest audited NTA as at 31 December 2015 represented by such values, are as follows:

	Prior to the Proposed Disposal		Including the Proposed Disposal	
	Amount (RMB)	Percentage of audited NTA	Amount (RMB)	Percentage of audited NTA
Total value of all transactions with the Purchaser and its associates	–	–	4.848	n.m
Total value of all transactions with all interested persons of the Company	NA	NA	4.848	n.m

7.4 Advice of the Independent Financial Adviser

7.4.1 The Company has appointed Tata Capital Markets Pte. Ltd. as the IFA to advise the Independent Directors in relation to the Proposed Disposal. An IFA Letter, containing the IFA's advice in full, is set out in Appendix 1 to this Circular, and Shareholders are advised to read the IFA Letter carefully.

7.4.2 Having considered the factors and the assumptions set out in the IFA Letter, subject to the qualifications set out therein and based on the IFA's evaluation of the Proposed Disposal, the IFA is of the opinion that the Proposed Disposal is carried out on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

7.5 Abstention from voting on the Proposed Disposal

7.5.1 Rule 919 of the Listing Manual requires that interested persons and their associates (as defined in the Listing Manual) must not vote on any Shareholders' resolution approving any interested person transactions.

7.5.2 The Purchaser, G&W Investment Management Co., Ltd. (which has a direct interest in 100,000,000 Shares of the Company, constituting 4.69% of the existing share capital of the Company), Weng Wenju (brother of the Purchaser, who has a direct interest in 15,680,000 Shares, constituting 0.74% of the existing share capital of the Company) and Weng Jindao (cousin of the Purchaser, who has a direct interest in 15,280,000 Shares, constituting 0.72% of the existing share capital of the Company) will abstain from voting on the Ordinary Resolution to approve the Proposed Disposal, and will not accept nominations as proxy or otherwise for voting at the EGM in respect of the said Ordinary Resolution unless the Independent Shareholders appointing the Purchaser or his associates as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for the Ordinary Resolution.

7.6 Statement of the Audit Committee

7.6.1 The members of the Audit Committee do not have any interests in the Proposed Disposal and are accordingly deemed to be independent for the purposes of the Proposed Disposal.

7.6.2 The Audit Committee has considered, *inter alia*, the terms, rationale and benefits of the Proposed Disposal and the IFA Letter in relation to the Proposed Disposal and is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1 The interests of the Directors and Substantial Shareholders in the Company based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest		Total Shareholding of Shares	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
Wang Xin[(1)]	–	–	1,130,500,000	53.08	1,130,500,000	53.08
Substantial Shareholders						
Forise Capital Group Limited	1,130,500,000	53.08	–	–	1,130,500,000	53.08
Forise Global Holdings Limited[(1)]	–	–	1,130,500,000	53.08	1,130,500,000	53.08
Weng Wenwei[(2)]	61,500,000	2.89	100,000,000	4.69	161,500,000	7.58

Notes:

(1) Forise Global Holdings Limited is deemed to be interested in the 1,130,500,000 Shares held by Forise Capital Group Limited by virtue of its interest in 100% of the Shares of Forise Capital Group Limited. Wang Xin is also deemed to be interested in the 1,130,500,000 Shares held by Forise Capital Group Limited by virtue of his interest in 100% of the Shares of Forise Global Holdings Limited.

(2) Weng Wenwei is deemed to be interested in the 100,000,000 Shares held by G&W Investment Management Co., Ltd ("**G&W**") by virtue of his interest in 100% of the shares of G&W registered in the name of DBS Nominees (Private) Limited.

8.2 Save as disclosed above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings in the Company).

8.3 No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Disposal.

9. DIRECTORS' RECOMMENDATION

After having considered, *inter alia*, the rationale for the Proposed Disposal as set out in Section 3 of this Circular, the IFA Letter and the statement of the Audit Committee, the Independent Directors are of the opinion that the Proposed Disposal is in the best interest

of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of the Proposed Disposal at the EGM.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held at 10.00 a.m. on 18 August 2016 at 4 Shenton Way, SGX Centre 2 #17-01, Singapore 068807 for the purpose of considering and if, thought fit, passing, with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the holding of the EGM. The completion and return of the Proxy Form by such Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy should he subsequently wish to do so.

Pursuant to section 81SJ(4) of the SFA, a Depositor will not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

13. CONSENTS

TATA Capital Markets Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and (ii) the IFA Letter, and all references thereto, in the form and context in which they appear in this Circular.

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and (ii) the valuation reports appended as Appendix 3 of this Circular, and all references thereto, in the form and context in which they appear in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at 80 Raffles Place, #11-20 UOB Plaza 2, Singapore 048624 during normal business hours from the date hereof up to and including the date of the EGM:

(a) the Constitution of the Company;

(b) the Annual Report of the Company for FY2015;

(c) the Agreement; and

(d) the independent valuation reports.

Yours faithfully

For and on behalf of
The Board of Directors
Forise International Limited

Peng Weile
Executive Director

3 August 2016

TATA CAPITAL MARKETS PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200820715M)
8 Shenton Way #19-01 AXA Tower
Singapore 068811

3 August 2016

The Independent Directors
Forise International Limited (the "**Company**")
80 Raffles Place
#11-20 UOB Plaza 2
Singapore 048624

Dear Sirs,

THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE INTEREST IN THE EQUITY AND SHARE CAPITAL OF THE SALE ENTITIES (AS DEFINED HEREIN)

*Unless otherwise defined or the context otherwise requires, all capitalized terms herein shall have the same meanings attributed to them in the circular issued to the shareholders of the Company ("**Shareholders**") dated 3 August 2016 (the "**Circular**").*

1. INTRODUCTION

1.1 The Company had announced that it had on 6 April 2016 entered into a sale and purchase agreement (the "**Agreement**") with Weng Wenwei (the "**Purchaser**"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase, all of the Company's interest in the equity and share capital (the "**Sale Shares**") in the following directly and indirectly owned subsidiaries of the Company (the "**Proposed Disposal**"), free from all encumbrances and together with all rights, dividends, benefits and entitlements attaching therefrom as from Completion (as defined herein):

(a) Grandus Pte. Ltd. ("**Grandus**");

(b) Fujian Great Fashion Industry Co Ltd ("**Fujian Great**");

(c) Quanzhou Great Garments Co., Ltd ("**Quanzhou Great**");

(d) Great (Hong Kong) Limited ("**Great Hong Kong**");

(e) Grixpro Trading (Xiamen) Co. Limited ("**Grixpro**");

(f) Great (Fujian) Textile Technology Co Ltd ("**Great Fujian Textile**");

(g) Great Worldwide (Trading) Limited ("**Great Worldwide**");

(h) 3W Life Investment Pte. Ltd. ("**3W Life**");

(i) Fashvacation Pte. Ltd. ("**Fashvacation**");

(j) 183Art Media Pte. Ltd. ("**183Art Media**"); and

(k) 183Art Media (Xiamen) Co., Ltd ("**183Art Media Xiamen**")

(all the above entities collectively referred to as the "**Sale Entities**").

1.2 As the relative figures calculated pursuant to Rule 1006(a) and Rule 1006(b) of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") exceed 20%, the Proposed Disposal will be classified as a "major transaction" within the meaning of Rule 1014 of the Listing Manual, and will be subject to the approval of the Shareholders of the Company. Further, as the Purchaser was an "interested person", the Proposed Disposal is an interested person transaction governed by Chapter 9 of the Listing Manual and requiring approval of the Shareholders who are deemed to be independent for the purposes of the Proposed Disposal as an interested person transaction, being Shareholders independent of the Purchaser and the parties acting in concert with the Purchaser ("**Independent Shareholders**").

1.3 Tata Capital Markets Pte Ltd ("**Tata Capital**") has been appointed by the Company as the independent financial adviser ("**IFA**") to advise the directors of the Company who are considered independent for the purposes of making recommendations to the Independent Shareholders in respect of the Proposed Disposal ("**Independent Directors**"). This letter ("**IFA Letter**") sets out, *inter alia*, our opinion as to whether the Proposed Disposal is on normal commercial terms and whether the Proposed Disposal is prejudicial to the interests of the Company and its Independent Shareholders. This IFA Letter forms part of the Circular issued by the Company to its Shareholders in connection with the Proposed Disposal.

2. TERMS OF REFERENCE

The purpose of this IFA Letter is to provide an independent opinion on whether the terms of the Proposed Disposal are on normal commercial terms and whether the Proposed Disposal is prejudicial to the interests of the Company and its Independent Shareholders. We have prepared this IFA Letter for the use of the Independent Directors in connection with their consideration of the Proposed Disposal and their advice to the Independent Shareholders arising thereof. The recommendations made by the Independent Directors to the Shareholders shall remain the responsibility of the Independent Directors.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Disposal, nor were we involved in the deliberations leading up to the decision on the part of the Directors to undertake the Proposed Disposal. Accordingly, we do not, by this IFA Letter, warrant the merits of the Proposed Disposal and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Proposed Disposal.

In the course of our evaluation, we have held discussions with the Directors, the management of the Company (the "**Management**") and/or their professional advisers and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or their professional advisers, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any

representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information. In this regard, we note that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the "Directors' Responsibility Statement" in Section 12 of the Circular.

The scope of our appointment does not require us to perform an independent evaluation or appraisal of the assets, liabilities and/or profitability of the Company and its subsidiaries (the "**Group**") and/or the Sale Entities and we do not express a view on the financial position, future growth prospects and earnings potential of the Company after the completion of the Proposed Disposal in accordance with the terms of the Agreement ("**Completion**"). As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Group and/or the Sale Entities. In this respect, we have been furnished with, *inter alia*, the real estate appraisal reports dated 15 January 2016 (the "**Valuation Date**") (collectively, the "**Independent Valuation Reports**") prepared by Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd (the "**Valuer**") on the assessed fair market value of the land use rights and buildings held by the Specified Entities ("**Disposal Properties**"). As we are not experts in the evaluation or appraisal of the assets as set out in the Independent Valuation Reports, we have placed sole reliance on the real estate appraisals in relation to the Disposal Properties as assessed by the Valuer and as set out in the Independent Valuation Reports.

The information on which we relied was based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or affirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our opinion in relation to the Proposed Disposal, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder or specific group of Shareholders. As each Shareholder would have different investment objectives and profiles, we recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in the context of his specific or their investments objectives or portfolio(s) consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Proposed Disposal should be considered in the context of the entirety of this IFA Letter and the Circular.

3. INFORMATION ON THE SALE ENTITIES AND THE PURCHASER

The detailed information on the Sale Entities and the Purchaser are set out in full in Sections 2.1 and 2.2 of the Circular and we summarise below some of the salient information relating to the Sale Entities and the Purchaser.

3.1 Salient information on the Sale Entities

3.1.1 The Sale Entities comprises the following subsidiaries of the Company, previously engaged in the manufacturing and production of the garments for sale by the Group:

Name of the Sale Entity	Place of incorporation	Principal business	Investment in Sale Entity (RMB)	How much has been written down from such investments and loans to Sale Entity (RMB)
Grandus	Singapore	Holding Company	4,855.10	4,855.10
Fujian Great	PRC	Producing Garments, apparel products and weaving	187,898,131.56	187,898,131.56
Quanzhou Great	PRC	Producing garments, weaving, ribbon, printing, shoes, hats and bags (exporting the commodity which is not related with the management of the export permit quota	22,060,000.00	22,060,000.00
Great Hong Kong	Hong Kong	Trading	8,442.00	8,442.00
Grixpro	PRC	Wholesale of apparel, footwear, headwear, boxes, fabrics and accessories, as well as the import and export business	3,066,458.56	3,066,458.56
Great Fujian Textile	PRC	Production, trading, sales and distribution of textile and apparel	7,459,089.00	7,459,089.00
Great Worldwide	British Virgin Islands	Sales and distribution of garments and apparel production	6.83	6.83
3W Life	Singapore	Trading	6.83	6.83
Fashvacation	Singapore	Fashion Branding	494.00	1,188,720.00
183Art Media	Singapore	Other investment holding company	252.00	481,966.00
183Art Media Xiamen	PRC	Promotion of arts and culture, creative products design and events management	493,630.00	493,630.00

Notes:

(1) As of 31 December 2015, the Company has balances owing to the Sales Entities of RMB54.73 million which cumulated through the years, mainly arising from support provided by the Sale Entities to the holding corporation operational costs and intergroup revenues. These balances will be waived off by the companies concerned.

(2) As at 31 December 2015, the Company has provided impairment allowances after carrying out a review on the recoverable amounts of its investments and advances to the subsidiaries of the Group. The management is of the view that as the subsidiaries are in net liabilities position and the contract manufacturing business had ceased operations at the end of the financial year, and coupled with the continuous poor performance and bank borrowing liabilities of RMB233 million, the recoverable amount is deemed as nil.

3.1.2 The significant assets held by the Sale Entities, and the values of such assets are as follows:

Company	Significant Assets	Gross Value (RMB)[1]	Net Value (RMB)	Remarks
Fujian Great	Cash	35,303,025	35,303,025	Pledged to bank
	Trade and other receivables	156,983,007	38,124,148	
	Inventories	16,274,435	8,237,437	
	Fixed assets	170,176,632	35,682,608	Pledged to bank
	Intangible assets	16,320,920	14,235,669	Pledged to bank
Quanzhou Great	Cash	5,814,490	5,814,490	Pledged to bank
	Trade and other receivables	25,321,663	1,710,971	
	Fixed assets	5,128,192	1,883,861	Pledged to bank
	Inventories	14,448,213	2,465,924	
	Intangible assets	1,309,765	917,231	Pledged to bank
Great Worldwide	Trade and other receivables	84,812,273	1,855,945	

Note:

(1) Gross value of assets before depreciation and/or provisions.

3.1.3 The Valuer had in January 2016 undertaken a valuation on the following:

(a) In respect of Fujian Great, a valuation was undertaken on three (3) land parcels for industry purposes and three (3) buildings built on these land parcels, which are located on No. 200708 land block in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City, and all of which are owned by Fujian Great. The Valuer has adopted the benchmark land price-base correction method and the cost method in valuing the land parcels and buildings, and concluded that the value of the aforementioned land and buildings is RMB59,429,000; and

(b) In respect of Quanzhou Great, a valuation was undertaken on one (1) land parcel for industry purpose and two (2) buildings built on this land parcel, located at Jiangnan Industrial Park, all of which are owned by Quanzhou Great. The Valuer has adopted the benchmark land price-base correction method and the cost method in valuing the land parcel and buildings, and concluded that the value of the aforementioned land and buildings is RMB10,186,000.

3.1.4 Following the cessation of its manufacturing operations, the Company intends to dispose of the excess assets related to the manufacturing segment of the Group's business. This would be by way of divestment of the Sale Entities engaged in the manufacturing and production of garments. The Group will retain and focus on its business in the trading of garments, which will be carried out by the remaining companies of the Group, and principally through Great Holding Limited.

3.2 Salient information on the Purchaser

The Purchaser, Mr. Weng Wenwei, is the founder of the Group, a Substantial Shareholder and a former Director of the Company. The Purchaser has been a Director of the Company since 29 February 2008, has been redesignated as non-executive Director on 12 November 2015 and has resigned as Director of the Company on 16 March 2016. The Purchaser is currently interested (directly and deemed) in a total of 161,500,000 Shares, representing 7.58% of the issued share capital of the Company.

4. DETAILS OF THE PROPOSED DISPOSAL

The following text providing the details of the Proposed Disposal has been extracted from Sections 2.3 to 2.5 of the Circular and is set out in italics below.

"***2.3 Consideration***

2.3.1 The Consideration for the Sale Shares shall be the aggregate amount of S$1.00, payable by the Purchaser upon Completion, in cash and in Singapore dollars.

2.3.2 The nominal Consideration of S$1.00 is arrived at on a willing buyer willing seller basis after arm's length negotiations, and taking into account the following:

(a) The aggregate negative net asset value of the Sale Entities of RMB101.94 million and the aggregate amount of losses attributable to the Sale Entities of RMB167.96 million as at 31 December 2015;

(b) The Sale Entities have aggregate bank borrowings amounting to approximately RMB233 million as at 31 December 2015;

(c) The Group has been loss making for the past four (4) financial years;

*(d) In the event that the Purchaser sells the shares of Grandus, Fujian Great and Quanzhou Great (the "**Specified Entities**") to a third party for a consideration exceeding S$1.00, the Group will be entitled to the Company Sale Proceeds in accordance with paragraph 2.3.5 below. The Company has excluded Great Fujian Textile from the Specified Entities despite its significant registered capital as Great Fujian Textile has no material assets to dispose as evidenced by the accumulated losses incurred over the years which have reduced its asset value significantly. The net asset value of Great Fujian Textile of RMB1,096,250, as depicted in the table in paragraph 2.3.3 below, arose from its paid up registered capital of approximately RMB7.46 million, less the accumulated losses incurred by Great Fujian Textile over the years. The assets of Great Fujian Textile are principally represented by slow moving accounts receivables. Great Fujian Textile is not included in the Specified Entities as it has no fixed or other material assets save for the slow moving accounts receivables, and such accounts receivables is regarded as being part of the working capital of the Sale Entities for use by the Purchaser subsequent to the Proposed Disposal, akin to the working capital in the other Sale Entities. In respect of the Specified Entities, notwithstanding the negative net asset value, they contain material fixed assets and therefore the Company wishes to reserve the right to a share of the profits in the event of a successful sale. Accordingly, the Board confirms that it is of the view that it is in the interest of the Company to exclude Great Fujian Textile from the Specified Entities; and*

(e) The Company had placed advertisements in local newspapers in the PRC in 2014, 2015 and 2016 to source for buyers for the Specified Entities but was not successful. Such advertisements had not yielded any enquiries or proposals from interested buyers.

2.3.3 In particular, the aggregate negative net asset value of the Sale Entities is due to cumulative losses over the years, bank borrowings and other liabilities that had exceeded the assets of the Sales Entities. The assets of the Sales Entities are mainly receivables and inventories that had been impaired and/or written down to its realizable value. The breakdown of the aggregate negative net asset value and aggregate amount of losses stipulated in paragraph 2.3.2(a) is set out in the table below:

Sales Entities	***(Negative Net Assets)/ Net Assets***	***Revalued (Negative Net Assets)/ Net Assets***	***(Losses)/ Profits***
Grandus	*6,799*	*6,799*	*6,799*
Fujian Great	*(19,166,709)*	*(10,903,490)*	*(47,503,976)*
Quanzhou Great	*(17,649,762)*	*(10,164,141)*	*(47,114,803)*
Great Hong Kong	*(1,599,062)*	*(1,599,062)*	*(1,754,588)*
Grixpro	*(697,252)*	*(697,252)*	*(3,355,421)*

Sales Entities	*(Negative Net Assets)/ Net Assets*	*Revalued (Negative Net Assets)/ Net Assets*	*(Losses)/ Profits*
Great Fujian Textile	*1,096,250*	*1,096,250*	*(6,703,628)*
Great Worldwide	*(63,791,475)*	*(63,791,475)*	*(18,053,655)*
3W Life	*(2,329)*	*(2,329)*	*(44,940,015)*
Fashvacation	*(89,572)*	*(89,572)*	*946,447*
183 Art Media	*2,708*	*2,708*	*511,650*
183Art Media Xiamen	*(48,914)*	*(48,914)*	*–*
Total	***(101,939,318)***	***(86,190,478)***	***(167,961,189)***

2.3.4 The breakdown of the bank borrowings referred to in paragraph 2.3.2(b) above is as follows:

Company	*Name of Bank*	*Facilities*
Fujian Great	*Bank of China*	*Working capital loan and trade financing*
	Industrial Commercial Bank of China	*Working capital loan and trade financing*
	China Merchants Bank – Jiang Nan Branch	*Trade financing*
	Hua Xia Bank (Quanzhou) Branch	*Working capital loan and trade financing*
	China Everbright Bank – Quanzhou Branch	*Working capital loan and trade financing*
	Shanghai Pudong Development Bank – Quanzhou Branch	*Working capital loan*
	Xiamen International Bank – Quanzhou Branch	*Working capital loan*
Quanzhou Great	*Bank of Communications – Quanzhou Branch*	*Working capital loan and trade financing*
	Construction Bank of China	*Working capital loan and trade financing*

*2.3.5 It has also been agreed in the Agreement that, subject to there having been Completion, for a period of two (2) calendar years from Completion, in the event that the Purchaser shall sell any or all of the shares of the Specified Entities to a third party for a consideration exceeding S$1.00, the Purchaser shall, after deducting costs incurred by the Purchaser from such sale, pay to the Company an amount constituting 50% of the remaining proceeds ("**Company Sale Proceeds**"). Such Company Sale Proceeds shall be paid by the Purchaser to the Company within*

seven (7) days from the sale. The Purchaser had further agreed that any such sale shall be carried out at a price that is not less than the valuation of the Sale Shares and/or Sale Entities, such valuation to be carried out by a valuer acceptable to the Company, and such valuation report to be dated no earlier than six (6) months from the date of the agreement for such sale.

2.3.6 The Company had placed advertisements in local newspapers in the PRC in 2014, 2015 and 2016 to source for buyers for the Specified Entities but was not successful. In addition, the Board has formed the view that recent economic conditions in the PRC, coupled with the high levels of debt and borrowings, will make it even more difficult to secure any buyers prepared to purchase the Specified Entities and to assume the debt. The Company has therefore included the sharing of the consideration out of an abundance of caution in the event that the Purchaser does manage to find a third party buyer especially with such heavy bank debts in the Specified Entities. The Purchaser is willing to take over the Sales Entities and had agreed to be responsible for all the liabilities incurred including the substantial bank debts as the Purchaser and his wife are personally guarantors of the bank debts. The Company is of the view that by setting the percentage at only 50% will provide the Purchaser sufficient incentive to secure buyers, should the Purchaser be able to, while allowing the Company to retain a share of the gains from any subsequent sale. After much negotiation, the Purchaser is willing to share a maximum 50% of the sale proceeds in the event that the Purchaser sells any of the shares of the Specified Entities.

2.3.7 In this respect, the Company intends to extend the escrow over the 161,500,000 Shares held by the Purchaser (both directly and indirectly) to cover the Purchaser's liability. The Company further notes that (a) the Purchaser has entered into the Agreement under his personal name and will therefore be liable personally in the event of default of the Agreement, and (b) the Purchaser and his wife remain personally liable as guarantors, and fixed assets of the Specified Entities (land and buildings of valuation at RMB69 million) and cash of approximately RMB30.0 million are pledged, for the Specified Entities' bank borrowings of approximately RMB202.9 million as at the Latest Practicable Date and so any sale by the Purchaser will require substantial unwinding of these guarantees, which the Company expects to be difficult given the quantum of the bank borrowings.

2.3.8 The Company shall independently check that Purchaser had not sold the shares of the Specified Entities once in six (6) months, and at the end of two (2) years, as follows:

(a) The Purchaser is required to send to the Company, at least once a month, the Business Licence Detailed Profile or the Business Profile Search results of each of the Specified Entities. The Business License Detailed Profile is extracted from the PRC local Industry and Commerce Administration Bureau, while the Business Profile Search results are extracted from the Accounting and Corporate Regulatory Authority of Singapore, and each of them will indicate the existing shareholders of the respective Specified Entities at the time of extraction; and

(b) Once every six (6) months, the Company will carry out its independent search at the PRC Industry and Commerce Administration Bureau and the Accounting and Corporate Regulatory Authority of Singapore.

2.3.9 The Company's auditors, company secretary or legal advisers will be requested to review the procedures stipulated in paragraph 2.3.8(a) and 2.3.8(b) above. The Company will make the relevant announcements to disclose the results of such review whenever they are undertaken during the 2-year period. The Audit Committee will also review the results of the searches and procedures put in place as stipulated in paragraph 2.3.8 above to ascertain the status of share ownership of the Specified Entities. In addition, under the terms of the Agreement, the Purchaser is obligated to allow the auditors and other representatives of the Company access to the accounting and other records of the Specified Entities and the Company intends to exercise such rights to monitor compliance with the terms of the Agreement subsequent to Completion. The Purchaser is also obliged to inform the Company if any of the shares of the Specified Entities have been sold. This will be announced with details of the sale.

2.4 Conditions Precedent

2.4.1 Completion of the Proposed Disposal is subject to the following Conditions Precedent:

(i) the Sale Entities having, as at and since 31 December 2015 to Completion, a consolidated net liability position based on Singapore Financial Reporting Standards, as determined by the Company;

(ii) the approval of the Shareholders being obtained at an extraordinary general meeting of the Company (or any adjournment thereof) in respect of the transactions contemplated in this Agreement;

(iii) upon Completion, the SGX-ST not ruling the Company as a cash company where its assets consist wholly or substantially of cash or short-dated securities pursuant to Rule 1303(2) of the Listing Manual;

(iv) the execution of any necessary deeds of waiver and release, in form and on terms and by such persons as notified by the Company to the Purchaser, relating to the waiver and discharge of the debts, liabilities and obligations owing or owed by the Company and such subsidiaries of the Company as at Completion to the Sale Entities;

(v) all necessary approvals of any third party in the view of the Company necessary or desirable in connection with the transactions contemplated in the Agreement;

(vi) the Purchaser providing the charge over his Shares and such other collateral and security as may be required by the Company to secure all the Purchaser's obligation under the Agreement; and

(vii) the Purchaser having performed all of the covenants and undertakings required to be performed by it under the Agreement on or before the Completion (other than those required to be performed at Completion).

2.4.2 If the Conditions Precedent are not fulfilled by 31 December 2016 (unless waived by the Company), the Agreement shall terminate and neither party shall have any claim against the other for costs, damages, compensation or otherwise, save in respect of any antecedent breach of the Agreement.

2.5 Completion of the Proposed Disposal

*2.5.1 Completion of the Proposed Disposal shall take place on such date falling five (5) Business Days after the date on which all the Conditions Precedent have been fulfilled or otherwise waived in writing ("**Completion Date**").*

2.5.2 The Parties had agreed in the Agreement that all risks and rewards of and associated with the Sale Shares shall be deemed to have passed to and accrue to and for the Purchaser as from 1 January 2016.

2.5.3 Upon Completion, the Purchaser shall procure that each of the Sale Entities irrevocably waives and terminates all debts, liabilities and obligations owing or owed by the Company and each of the subsidiaries of the Company as at Completion, to the Sale Entities.

2.5.4 The Purchaser had also in the Agreement undertaken that:

(a) the Purchaser shall bear any and all taxes imposed on the Company in connection with any of the Sale Entities, whether in Singapore, PRC or elsewhere, and whether arising in relation to activities occurred prior to the sale, during the sale, and after the sale, of such Sale Entities, including without limitation to the foregoing, taxes arising from the transactions contemplated under the Agreement and the purchase by the Company whether directly or through its subsidiary at such time, of any of the Sale Entities, and will comply with all applicable laws and regulations relating to such taxation, and the Purchaser shall, on demand by the Company, pay to the Company the amount of such taxes;

(b) the Purchaser shall charge his Shares to a party nominated by the Company, for such period and on such terms to be agreed between the parties, or provide to the Company such other collateral or security as may be determined by the Company in its sole discretion, to secure all the obligations of the Purchaser under the Agreement. The Company intends to appoint Harry Elias Partnership LLP, a law firm, as escrow agent for the Shares;

(c) commencing from the date of the Agreement and continuing after the Completion Date, grant to the Company and its auditors reasonable access to the accounting records and other business records of the Sale Entities made for the period until Completion Date, to make copies thereof, to disclose such records, as well as to arrange for the audit of such accounting records, to allow the Company to verify the figures in the accounting records of the Sale Entities and to comply with its obligations under the Companies Act, the relevant accounting standards, the disclosure obligations under the Listing Manual as well as for the purposes of the Agreement; and

(d) commencing from the date of the Agreement until the Completion Date, to provide the management accounts of the Sale Entities for each quarterly

period ending 31 March, 30 June, 30 September and 31 December, prepared in accordance with the Singapore Financial Reporting Standards, within 30 days of each quarterly period."

5. EVALUATION OF THE PROPOSED DISPOSAL

In arriving at our opinion on whether the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its Independent Shareholders, we have given due consideration to, *inter alia*, the following:

(a) rationale for the Proposed Disposal;

(b) financial assessment of the Consideration for the Proposed Disposal;

(c) financial effects of the Proposed Disposal; and

(d) other relevant considerations.

5.1 Rationale for the Proposed Disposal

The full text for the rationale for the Proposed Disposal has been extracted from Section 3.1 of the Circular and is set out in italics below:

"*3.1.1 As announced in the Company's financial results for the year ended 31 December 2015, the Board, after undertaking a strategic and special review of the businesses of the Company, is of the opinion that it is difficult for the manufacturing component of its garment business (excluding the trading business) to turn around in the near term. The Company has since ceased the manufacturing operations in the quarter ended 31 December 2015 and has disposed of all the machineries of its production facilities held under its two (2) main manufacturing subsidiaries to various third parties, retrenched all production workers and leased out its factory premises.*

3.1.2 Following the cessation of its manufacturing operations, the Company intends to dispose of the excess assets related to the manufacturing segment of the Group's business. This would be by way of divestment of the Sale Entities engaged in the manufacturing and production of garments. The Group will retain and focus on its business in the trading of garments, which will be carried out by the remaining companies of the Group, and principally through Great Holding Limited.

3.1.3 The Company estimates that for the financial year ended 31 December 2015, the trading business comprised approximately 10% of the Group's total revenue, amounting to approximately RMB32 million. The trading business has been profitable. As at May 2016, the Group's revenue and profits from its trading business is estimated at approximately RMB24.86 million and RMB1.6 million respectively. This is supported by inventory of approximately RMB0.10 million as at the Latest Practicable Date. The revenue for the trading business is expected to grow, and the Company intends to continue and grow the trading business further.

3.1.4 The Company has also, on 23 June 2016, obtained the approval of the Shareholders at an extraordinary general meeting, to diversify the business of the Group into the provision of corporate advisory and management consulting services to corporations.

3.1.5 Upon completion of the Proposed Disposal, the Company is able to operate as a going concern. As at the Latest Practicable Date, and upon the Proposed Disposal, the current assets of the Company will be approximately RMB77.1 million (including RMB36.9 million of cash), which exceed the aggregate liabilities of the Company of RMB37.1 million. The remaining business will also be able to operate as a going concern, assuming that the profitability of the trading business continues. The Group has focused on better margin trading business and expects to continue to maintain this strategy for FY2016. As of the first quarter ended 31 March 2016, the trading business had performed well and the Board is cautiously optimistic that the trading business will be able to maintain its performance, as the trading business does not require substantial capital investment and cost, and the Group is able to rely on its existing expertise, clientele and network to achieve profitability. While the PRC economy is slowing down, garments are daily necessities and its demand should not decline significantly. Further, as the world economy is also slowing down, cheaper garments from the PRC will also be more attractive to the consumers.

3.1.6 The trading business has been operating within the Group even before the Proposed Disposal. With the disposal of the Sale Entities, the results from the remaining business will not be negated by the losses from the Sale Entities and will therefore result in an improvement in the profitability and financial position of the Group compared to the preceding three (3) completed financial years. The current efforts of the Board are directed towards meeting the requirements for the Company to exit from the watch list.

3.1.7 The Purchaser was the founder of the Group. The Purchaser has indicated his willingness to acquire the Sale Entities and assume any liabilities and further losses arising from the Sale Entities. Consequently, the Board has decided to sell the Sale Entities to the Purchaser at a nominal Consideration of S$1.00.

3.1.8 Following Completion, the Purchaser may either utilize the Sale Entities for purposes unrelated to that of the Company, liquidate or dispose of certain of the Sale Entities. Subject to there having been Completion, for a period of two (2) calendar years from Completion, in the event that the Purchaser disposes of any or all of the shares of the Specified Entities at a consideration higher than that of S$1.00, the Agreement provides that after deducting such costs incurred by the Purchaser from such sale, the Purchaser shall pay to the Company the Company Sale Proceeds.

3.1.9 The excess of the proceeds over the negative net asset value of the Sale Entities is approximately RMB101.94 million as at 31 December 2015. The Company is expected to recognise a gain on disposal of approximately RMB168 million, being a net gain on the Proposed Disposal after deducting the professional fees, and miscellaneous fees such as printing costs and other costs related to the holding of the EGM."

5.2 Financial assessment of the Consideration for the Proposed Disposal

5.2.1 Comparable listed companies analysis

We note that the Group has ceased its garment contract manufacturing operation, retrenched all production workers and disposed of all the machineries of its production facilities held under its two main manufacturing subsidiaries, namely Fujian Great and

Quanzhou Great, in the fourth quarter ended 31 December 2015 and that the Proposed Disposal would allow the Company to dispose of the remaining excess assets related to the discontinued manufacturing segment of the Group's business ("**Discontinued Operations**"). Further, we note that the Discontinued Operations were loss-making in the latest financial year ended 31 December 2015 ("**FY2015**") and in the latest financial period ended 31 March 2016 ("**3M2016**") and that the Sale Entities are in an aggregate net liabilities position of approximately RMB104.48 million as at 31 March 2016. Accordingly, any comparison analysis to be performed based on relative valuation ratios of comparable listed companies would not be meaningful.

5.2.2 Comparison of Consideration with the net asset backing of the Sale Entities

The nominal Consideration of S$1.00 had been arrived at based on a willing buyer willing seller basis after arm's length negotiations and taking into account, *inter alia*, the aggregate negative net asset value ("**NAV**") of the Sale Entities of RMB101.94 million and the aggregate amount of losses attributable to the Sale Entities of RMB167.96 million as at 31 December 2015.

In this regard, we note the following:

- The Group has been loss making for the past four (4) financial years and the aggregate losses attributable to the Sale Entities in FY2015 amounted to RMB167.96 million, accounting for approximately 88.9% of the total losses incurred by the Group in FY2015. In 3M2016, the Discontinued Operations continued to make losses, mainly as a result of interest and financial expenses on bank borrowings and administration expenses. Pursuant to the Agreement for the Proposed Disposal, all risks and rewards of and associated with the Sale Shares shall be deemed to have passed to and accrue to and for the Purchaser as from 1 January 2016;

- As disclosed in the Company's annual report for FY2015, as at 31 December 2015, the Company carried out a review of the recoverable amounts of its investments in its subsidiary corporations and the Management is of the view that all the subsidiary corporations of the Group are in net liabilities position and the recoverable amount of each of the subsidiary corporations is deemed as nil;

- As at 31 December 2015, the aggregate negative NAV attributable to the Sale Entities amounted to approximately RMB101.94 million. The Company expects to recognize a gain on disposal of approximately RMB168 million from the Proposed Disposal, being a net gain on the Proposed Disposal after deducting the professional fees, and miscellaneous fees such as printing costs and other costs related to the holding of the EGM; and

- Completion of the Proposed Disposal is subject to, *inter alia*, the Sale Entities having, as at and since 31 December 2015 to Completion, a consolidated net liability position based on Singapore Financial Reporting Standards, as determined by the Company. We understand from the Company that the aggregate negative NAV attributable to the Sale Entities increased from approximately RMB101.94 million as at 31 December 2015 to approximately RMB104.48 million as at 31 March 2016, mainly due to the Discontinued Operations continuing to incur losses, primarily in relation to interest and financial expenses on bank borrowings and administration expenses.

5.2.3 Fair market value of the Disposal Properties

The Company had commissioned the Valuer to provide an estimate of the fair market values of the Disposal Properties, which have been assessed by the Valuer to amount to approximately RMB69.62 million in aggregate as at the Valuation Date as compared to the book value of the Disposal Properties as at 31 December 2015 of approximately RMB53.86 million. In this regard, we note that notwithstanding the revaluation surplus in respect of the Disposal Properties of approximately RMB15.76 million, the revalued NAV ("**RNAV**") attributable to the Sale Entities would still be negative. Shareholders are advised to read the above information in conjunction with the Independent Valuation Reports (appended as Appendix 3 of the Circular) in their entirety, including the various assumptions and limiting conditions of the Independent Valuation Reports.

The Management of the Company has confirmed that to the best of their knowledge and belief, save for the revaluation surplus in respect of the Disposal Properties, there are no assets and/or liabilities which values as at the Latest Practicable Date would be materially different from those recorded in the unaudited balance sheets of the Sale Entities as at 31 March 2016 and there have been no material disposals or acquisitions of assets by the Sale Entities since 31 March 2016 and up to the Latest Practicable Date.

5.3 Financial effects of the Proposed Disposal

The proforma financial effects of the Proposed Disposal on the net tangible asset value ("**NTA**") per Share, loss per Share and gearing ratio of the Group are set out in Sections 5.1 to 5.3 of the Circular purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Disposal. Shareholders are advised to read the relevant sections of the Circular carefully, including the assumptions set out therein.

We note that the Proposed Disposal is expected to increase the Company's NTA and NTA per Share from a negative NTA position to a positive NTA position and significantly reduce the Group's loss per Share on a proforma basis. We further note that the Proposed Disposal will be beneficial to the Group as it will relieve the Group of the financial strain arising from the existing bank borrowings attributable to the Sale Entities which amounted to approximately RMB233 million as at 31 December 2015, and results in a low proforma gearing ratio of approximately 0.12 times.

5.4 Other relevant considerations

5.4.1 Purchaser's undertakings

Pursuant to the Agreement, the Purchaser has provided undertakings to the Company in respect of the following:

(a) The Purchaser shall indemnify and keep the Company indemnified against any and all losses, costs, expenses, liabilities, interest and penalties (including without limitation, reasonable fees, disbursements and solicitors' fees which may be reasonably incurred in investigating, disputing, defending any claim or action or other proceedings in respect of which a party to the Agreement is liable to indemnify the other under the Agreement) arising out of or in connection with any Sale Shares existing on or after the Completion Date;

(b) The Purchaser shall bear any and all taxation, duties, contributions and levies imposed by any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function, and all penalties, charges, costs and interests relating thereto ("**Taxes**"), imposed on the Company in connection with any of the Sale Entities, whether in Singapore, the People's Republic of China ("**PRC**") or elsewhere, and whether arising in relation to activities occurring prior to, during, and after the sale of the Sale Entities, including without limitation to the foregoing Taxes arising from the Proposed Disposal, and will comply with all applicable laws and regulations relating to such Taxation; and

(c) The Purchaser shall charge his shares in the Company to a party nominated by the Company, for such period and on such terms to be agreed between the parties to the Agreement, or provide to the Company such other collateral or security as may be determined by the Company in its sole discretion, to secure all the obligations of the Purchaser under the Agreement.

5.4.2 Subsequent disposal of shares in the Specified Entities

As set out in Section 2.3.5 of the Circular, in the event that the Purchaser sells any or all the shares of the Specified Entities to a third party for a consideration exceeding S$1.00 during the period of two (2) calendar years from Completion, the Purchaser shall, after deducting costs incurred from such sale, pay to the Company an amount constituting 50% of the remaining proceeds ("**Company Sale Proceeds**"). In this regard, the Company intends to extend an escrow over the 161,500,000 Shares held by the Purchaser (both directly and indirectly) to cover the Purchaser's potential liability in respect of the Company Sale Proceeds.

5.4.3 No alternative offers from third parties

The Directors have confirmed that as at the Latest Practicable Date, other than the Proposed Disposal, the Company has not received any alternative offers for its shareholding interest in the Sale Entities from any third party.

5.4.4 SGX-ST watch-list

The Company had been placed on the SGX-ST watch-list pursuant to Rule 1311 of the Listing Manual since 4 March 2015. The Proposed Disposal will place the Company in a better position to remove itself from the SGX-ST watch-list as it will reduce the Group's operating costs as well as its financial burden by eliminating the existing bank borrowings attributable to the Sale Entities from its balance sheet.

5.4.5 Not becoming a cash company

The Proposed Disposal is conditional upon, *inter alia*, that upon Completion, the SGX-ST not ruling the Company as a cash company pursuant to Rule 1303(2) of the Listing Manual. In this regard, we note that the Company had in its response to the queries from the SGX-ST as announced on the SGXNET on 4 April 2016, represented that the Directors are of the view that the Company is not a cash company notwithstanding the cessation of its manufacturing operations, as the Company continues to be involved in the business

activities in the trading of garments. In addition, as set out in Section 4.1 of the Circular, the Company has diversified into the business of providing strategic planning, corporate advisory, financial restructuring advisory and management consulting services.

5.4.6 Abstention from voting

The Purchaser, G&W Investment Management Co., Ltd. (a company which is 100% owned by the Purchaser and has a direct interest in 100,000,000 Shares of the Company, constituting 4.69% of the existing share capital of the Company), Weng Wenju (brother of the Purchaser, who has a direct interest in 15,680,000 Shares, constituting 0.74% of the existing share capital of the Company) and Weng Jindao (cousin of the Purchaser, who has a direct interest in 15,280,000 Shares, constituting 0.72% of the existing share capital of the Company) will abstain from voting at the EGM on the Ordinary Resolution relating to the Proposed Disposal, and will not accept nominations as proxies or otherwise for voting at the EGM in respect of the said Ordinary Resolution unless the Independent Shareholders appointing the Purchaser or his associates as proxies have given specific instructions in the relevant proxy form on the manner in which they wish their votes to be cast for the Ordinary Resolution. Accordingly, the Proposed Disposal would proceed only if a majority of the Independent Shareholders (excluding the Purchaser and his associates) were to vote in favour of the Proposed Disposal.

6. OUR OPINION

In arriving at our opinion, we have taken into account the following key considerations which we consider to be pertinent to our assessment of the Proposed Disposal:

(a) the rationale for the Proposed Disposal, details of which are set out in Section 5.1 of this IFA Letter;

(b) financial assessment of the Consideration for the Proposed Disposal, details of which are set out in Section 5.2 of this IFA Letter. In particular, we note that the negative NAV of the Sales Entities as at 31 December 2015 and 31 March 2016 amounted to approximately RMB101.94 million and RMB104.48 million respectively, and that notwithstanding the revaluation surplus in respect of the Disposal Properties of approximately RMB15.76 million, the RNAV attributable to the Sale Entities would still be negative;

(c) financial effects of the Proposed Disposal, details of which are set out in Section 5.3 of this IFA Letter. The Proposed Disposal would increase the Company's NTA and NTA per share, significantly reduce the Group's loss per Share and result in a low gearing ratio of approximately 0.12 times; and

(d) other relevant considerations, details of which are set out in Section 5.4 of this IFA Letter, including the following:

    (i) Undertakings provided by the Purchaser in favour of the Company;

    (ii) Company's entitlement to the Company Sale Proceeds in the event of a subsequent disposal of the Specified Entities during the two (2) years following Completion;

    (iii) absence of any alternative offers for the Sale Entities from third parties; and

(iv) the Company's status as a SGX-ST watch-list company and that the Proposed Disposal will place the Company in a better position to remove itself from the SGX-ST watch-list as it will reduce the Group's operating costs as well as its financial burden by eliminating the existing bank borrowings attributable to the Sale Entities from its balance sheet.

Having regard to the foregoing considerations and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders.

Our opinion is addressed to the Independent Directors in connection with their consideration of the Proposed Disposal and their advice to the Independent Shareholders arising therefrom. The recommendations made by the Independent Directors to the Shareholders shall remain the responsibility of the Independent Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of the forthcoming EGM and for the purposes of the Proposed Disposal.

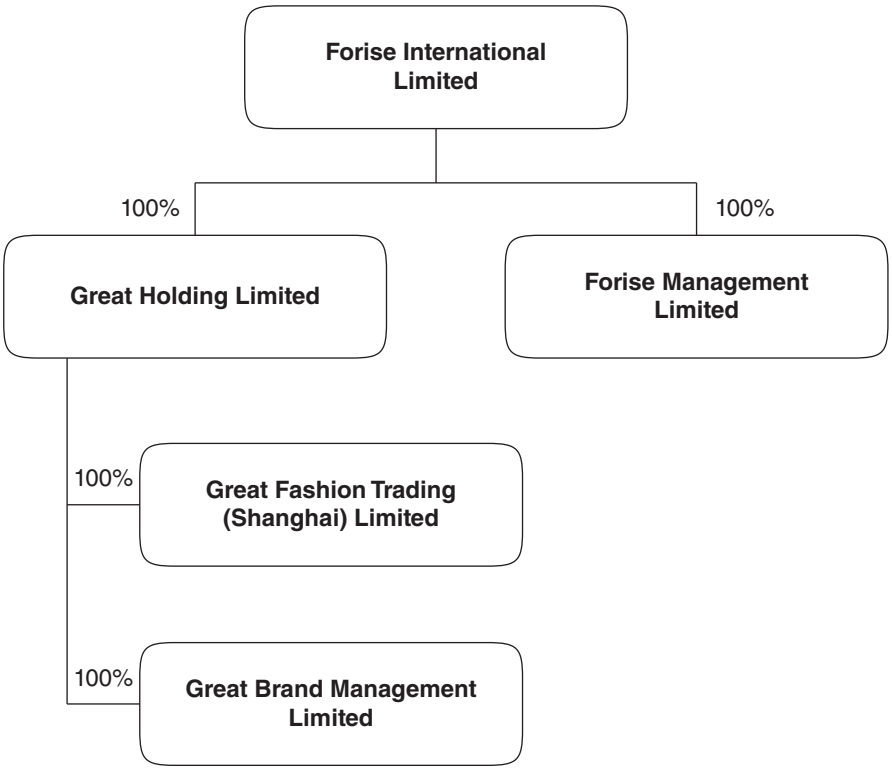
This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of
TATA CAPITAL MARKETS PTE. LTD.

Wayne Lee Chin Ing
CEO & Executive Director
Head of Corporate Finance

Foo Say Nam
Senior Vice President
Corporate Finance


Forise International Limited
100%
100%
Great Holding Limited
Forise Management Limited
100%
Great Fashion Trading (Shanghai) Limited
100%
Great Brand Management Limited

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Real Estate Appraisal Report

(Fujian) Guangming[2016] /(House) Zi No. QZY067



Name of appraisal project: three land parcels for industry purpose and three aboveground buildings on them that are located on No. 200708 land block in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City, which belongs to Fujian Gelaide Garment Industry Co., Ltd.

Client: Fujian Great Fashion Industry Co.,Ltd

Appraiser: Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

Appraisers: Wang Junfang Li Shuiqiu Yang Jingwen

Appraisal Operation Date: Jan. 14, 2016 ~Jan. 15, 2016

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Summary of Appraisal Report

Client	Fujian Great Fashion Industry Co.,Ltd		Owner:	Fujian Great Fashion Industry Co.,Ltd
Name of Project:	three land parcels for industry purpose and three aboveground buildings on them that are located on No. 200708 land block in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City, that belongs to Fujian Gelaide Garment Industry Co., Ltd			
Document of Title	Certificate of House Ownership [No. Quzhou House Certificate Licheng District (Li) No. 201201224, 201201225 and201201226] Certificate for the Use of State-owned Land [No. QGY (2010) No. 100090, 100091 and 100092]			
Time point of appraisal	Jan. 14, 2016			
Purpose of appraisal	To provide the market price reference for the subject property to the client for assets accounting			
Subject property	Planned purpose of house	Factory building, dormitory building	Land type (usage)	Industry
	Year of completion	2010	Type of land use right	Transfer
	Drawing No.	Blank	Number of land parcel	10/00089, 10/00090, 10/00091
	Building structure	Reinforced concrete	Total area covered by land use right	36223.10 m^2

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

	Total building area	58888.74 m²	Expiration date	May 11, 2059
	The area covered by land use right for A# parcel is 20599.70 m2, for B# parcel is 9181.10 m2, and for c# parcel is 6442.30 m2. The building area of Dormitory Building 2 is 7584.54 m2, and for Dormitory Building 3 is 7916.47 m2, and that for Factory Buildings 1, 2 and 4 is 43423.73 m2.			
Method of appraisal	Benchmark land price-based correction method:			
Result of appraisal	Type of currency	RMB		
	Total market price	fifty-nine million four hundred and twenty nine thousand yuan only (¥59,429,000)		
	Market unit price	A# land parcel has a market value of 10.32 million yuan at a unit price of 501yuan/m2 (converted to 334,000 yuan/mu); B# land parcel has a market value of 4.6 million yuan at a unit price of 501yuan/m2 (converted to 334,000 yuan/mu); C# land parcel has a market value of 3.228 million yuan at a unit price of 501yuan/m2 (converted to 334,000 yuan/mu); Dormitory building 2 has a market value of 5.292 million yuan at a unit price of 701yuan/m2; Dormitory building 3 has a market value of 5.549 million yuan at a unit price of 701yuan/m2; Factory Buildings 1, 2 and 4 has a market value of 30.44 million yuan at a unit price of 701yuan/m2.		

The above content is quoted from the real estate appraisal report. To understand this appraisal project in an all-round manner, you should earnestly read the whole text of the real estate appraisal report.



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Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Letter to the Client

(Fujian) Guangming[2016] /(House) Zi No. QZY067

Fujian Great Fashion Industry Co., Ltd :

Under your company' s entrustment, we have designated appraising personnel to carry out the price appraisal of the subject property.

According to the provided Certificate of House Ownership [No. Quzhou House Certificate Licheng District (Li) No. 201201224, 201201225 and201201226] and the Certificates for the Use of State-owned Land [No. QGY (2010) No. 100090, 100091 and 100092] and the site survey by the company' s appraising personnel: The subject property includes three land parcels for industry purpose and three aboveground buildings on them that are located on No. 200708 land block in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City, that belongs to Fujian Great Fashion Industry Co.,Ltd The specific information is as follows:

Planned purpose of house	Factory building, dormitory building	Land type (usage)	Industry
Year of completion	2010	Type of land use right	Transfer
Drawing No.	Blank	Number of land parcel	10/00089, 10/00090, 10/00091
Building structure	Reinforced concrete	Total area covered by land use right	36223.10 ㎡
Total building area	58888.74 ㎡	Expiration date	May 11, 2059

The area covered by land use right for A# parcel is 20599.70 ㎡, for B# parcel is 9181.10 ㎡, and for C# parcel is 6442.30 ㎡.
The building area of Dormitory Building 2 is 7584.54 ㎡, and for Dormitory Building 3 is 7916.47 ㎡, and that for Factory Buildings 1, 2 and 4 is 43423.73 ㎡.

Now, according to the laws, regulations and policy documents issued by the state and government, the data known by the company and the relevant information provided by the client, following the appraisal principles, by using the benchmark

land price-based correction method and cost method, in light of the appraisal purpose "to provide the market price reference for the subject property to the client for assets accounting", and combining the current real estate market condition, we have carried out analysis and estimation of the subject property and concluded that the real estate market value of the subject property at the appraisal time point (Jan. 14, 2016) that satisfies the assumptions and constrains of this appraisal is RMB fifty-nine million four hundred and twenty-nine thousand yuan only (¥59,429,000), where A# land parcel has a market value of 10.32 million yuan at a unit price of 501yuan/m^2 (converted to 334,000 yuan/mu); B# land parcel has a market value of 4.6 million yuan at a unit price of 501yuan/m^2 (converted to 334,000 yuan/mu); C# land parcel has a market value of 3.228 million yuan at a unit price of 501yuan/m^2 (converted to 334,000 yuan/mu); Dormitory building 2 has a market value of 5.292 million yuan at a unit price of 701yuan/m^2; Dormitory building 3 has a market value of 5.549 million yuan at a unit price of 701yuan/m^2; Factory Buildings 1, 2 and 4 has a market value of 30.44 million yuan at a unit price of 701yuan/m^2.

For details, please read the whole text of the report.

Legal representative:

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

January 15, 2016

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Statement of Certified Real Estate Appraiser

We hereby solemnly state that:

1. The facts we state in this appraisal report are true and accurate.

2. The analysis, opinion and conclusion of this appraisal report are made by ourselves based on fair professional analysis, but are restricted by the assumptions and constrains specified in the report.

3. We have neither stake with the subject property of the appraisal report nor personal interest relation with or prejudice against the concerned party.

4. We have conducted analysis, formed opinions and conclusions and written the appraisal report in accordance with the national standard "Code for Appraisal of Real Estate" and "Guiding Opinions on Real Estate Mortgage Appraisal" jointly issued by the Ministry of Construction of the People' s Republic of China, People' s Bank of China and China Banking Regulatory Commission.

5. We have made site survey of the subject property, (by real estate appraiser: Lin Shunju, certified No: 3520030041; real estate appraiser: Lin Jingwen), but our survey was only limited to the appearance and use condition of the subject property. We will bear neither the liability for the investigation of the building structural quality of the subject property nor the liability for the inspection of the part hard to contact with.

6. No people have provided important professional assistance to this appraisal report.

7. The purpose for a certified appraiser to conduct the real estate appraisal is to estimate and issue professional opinions on the value of subject property, and the confirmation of or giving opinions on the legal ownership of the subject property is beyond the scope of practice of a certified appraiser, and the certified appraiser will not bear the liability for the authenticity, legitimacy and completeness of the legal ownership data about the subject property provided by the client or the concerned party.

Real estate appraiser (signature):

Jun. 15, 2016

Appraisal Assumptions and Restrictions

I. Appraisal Assumptions:

1. The appraisal for the subject property is made under the precondition that the subject property will be continuously used at the current state.

2. The appraisal is made under the prerequisite that all data provided by the client are authentic, legitimate and effective, and the client shall bear total liability for the authenticity, legitimacy and effectiveness of the appraisal data provided. Meanwhile, this appraisal does not consider the possible defects in ownership. The data about area are sourced from the copies of ownership certificates provided by the client.

3. The subject property has no right constraints such as being mortgaged or leased. The original mortgage relation has been released if any.

4. The subject property is able to keep normal use within the durability period or approved land use period.

II. Appraisal Constraints:

1. With the changes of policy, macro economy, local real estate market and surrounding environment, the above real estate value of the appraisal will also change and should be revised or adjusted accordingly.

2. The appraisal report considers neither the impact of the other rights and liabilities set at the time point of the appraisal of the subject property and other relevant risks on the appraisal result nor the impact of unforeseeable factors and force majeure factor on the appraisal result. The appraisal report considers no risk about mortgage, and the appraisal result is only used as reference

for the purpose set for this appraisal report and shall not be used for any other purpose.

4. The appraisal result only considers the normal taxes and fees the seller will bear in case the subject property is transferred on market in the future, but considers neither other taxes and fees such as auction commission and land value added tax nor the value loss due to quick cashing. As the client does not tell about other priority rights to repayment, the appraiser is unable to know about them and therefore, this appraisal result is the mortgage value without other legal priority rights to repayment.

4. This appraisal institution and the appraisal personnel shall not bear any liability caused by the user of this report due to neglecting the relevant matters disclosed in this report.

5. With respect to the defects that may affect the appraisal result, as the client has made no special description while the appraisal personnel are generally not aware of them according to the practice experience, the appraisal institution and the appraisal personnel shall not bear any liability thus caused.

6. Without a written consent of this company, this appraisal report shall be neither used in open documents, notice or report nor published in any form by any entity or individual.

7. The validation period of this appraisal report shall be one year as of the date of its issuance.

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Report of Real Estate Appraisal Result

(Fujian) Guangming[2016] /(House) Zi No. QZY067

I. Client

Name: Fujian Great Fashion Industry Co.,Ltd

II. Appraiser:

Name Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

Domicile: No. 17, Huaqiao Xincun, Hongshan Town, Gulou District, Fuzhou, Fujian

Legal representative: Lei Yun

Industrial and Commercial License No.: 350000100030594

Qualification certificate:

- "Qualification Certificate for Real Estate Price Appraisal" (Grade I) issued by Fujian Provincial Department of Housing and Urban and Rural Construction

  No. 352014102 (valid till Dec. 4, 2017)

  "Qualification Certificate for Land Assessment Institution" issued by China Land Valuers Association

  No. A201135006 (valid till June 30, 2016)

III. Conditions of Subject Property:

(I) Description of the rights of the subject property:

According to the client-provided "House Ownership Certificate" [No. Quzhou House Certificate Licheng District (Li) No. 201201224, 201201225 and 201201226] ,House owner of the subject property: Fujian Great Fashion Industry Co.,Ltd According to the client-provided "Certificate of the Use of State-owned Land" [No. QGY (2010) No. 100090, 100091 and 100092], the holder of the land use right of the subject property is Fujian Great Fashion Industry Co.,Ltd The specific information is as follows

Planned purpose of house	Factory building, dormitory building	Land type (usage)	Industry
Year of completion	2010	Type of land use right	Transfer
Drawing No.	Blank	Number of land parcel	10/00089, 10/00090, 10/00091
Building structure	Reinforced concrete	Total area covered by land use right	36223.10 m^2
Total building area	58888.74 m^2	Expiration date	May 11, 2059
The area covered by land use right for A# parcel is 20599.70 m^2, for B# parcel is 9181.10 m^2, and for c# parcel is 6442.30 m^2. The building area of Dormitory Building 2 is 7584.54 m^2, and for Dormitory Building 3 is 7916.47 m^2, and that for Factory Buildings 1, 2 and 4 is 43423.73 m^2.			

(II) Description of the positional conditions of subject property:

Location of the subject property: The subject property is located on No. 200708 land parcel in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City, and surrounding it is the industrial park that has a high industrial clustering degree and enjoys convenient access. According to the "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (revised 2011)" QZ No. 21 [2011 Rev.], the land parcel of the subject property belongs to Grade III land for industry use in Quanzhou central urban area. Refer to the attachment for the specified position.

(III) Description of the physical conditions of subject property:

The subject property includes three land parcels for industry purpose and three aboveground buildings on them that are located on No. 200708 land block in Jiangnan

High Tech Information Industrial Park, Licheng District, Quanzhou City, which belongs to Fujian Great Fashion Industry Co., Ltd According to the client-provided "House Ownership Certificates" [No. Quzhou House Certificate Licheng District (Li) No. 201201224, 201201225 and201201226] and the Certificates for the Use of State-owned Land [No. QGY (2010) No. 100090, 100091 and 100092] , the building area is 58888.74 square meters and the area covered by land use right is 36223.10 square meters. According to the site survey conducted by the company' s appraising personnel, the specific current conditions of the subject property are as follows:

Form of the Current Building States of Subject Property

Building No.	Usage	Structure	Total storeys	Year of completion	Building area (m^2)	Interior state of the subject property
Dormitory building 2	Dormitory building	Reinforced concrete	Seven storeys	2010	7548.54	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface, aluminum composite panel ceiling for the 1st floor, and above the 2nd floor, cement paint coated interior aluminum alloy windows and burglar-proof doors, stone plate stairs, and stainless steel railing and handrail
Dormitory building 3	Dormitory building	Reinforced concrete	Six storeys	2010	7916.47	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface, aluminum composite panel ceiling for the 1st floor, and above the 2nd floor, cement paint coated interior aluminum alloy windows and burglar-proof doors, stone plate stairs, and stainless steel railing and handrail
Factory buildings 1, 2 and 4	Factory building	Reinforced concrete	Five storeys	2010	43423.73	Ceramic tile paved exterior wall surface, cement leveling and clinker brick interior ground floor, cement paint coated interior wall surface, aluminum composite panel ceiling for the 1st floor, and above the 2nd floor, cement paint coated interior aluminum alloy windows and burglar-proof doors, stone plate stairs, and stainless steel railing and handrail
In total	—	—	—	—	58888.74	—

IV. Purpose of Appraisal

To provide the market price reference for the subject property to the client for assets accounting

v. Time Point of Appraisal

Jan, 14, 2016 (date of site survey)

VI. Definition of Value:

The value of this appraisal refers to the market value of the above real estate at the time point of appraisal, i.e. the most possibly realized appraisal value of the real estate value, including the value of land use right, at the time point of appraisal without considering the impact of house leasing, mortgage, seal-up and corresponding credit rights and debts, but satisfying the appraisal assumptions and constraints.

VII. Criteria for Appraisal

1. "Law of the People' s Republic of China on Urban Real Estate Administration "

2. "Law of the People' s Republic of China on Land Administration "

3. "Guaranty Law of the People' s Republic of China", "Property Right Law of the People' s Republic of China"

4. "Administrative Measures for Urban Real Estate Mortgage"

5. "National Standard of the People' s Republic of China Code of Real Estate Appraisal" (GB/T50291 1999);

6. "Guiding Opinions on Real Estate Mortgage Appraisal" jointly issued by the Ministry of Construction of the People' s Republic of China, People' s Bank of China and China Banking Regulatory Commission (JZF No. 8);

7. "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (revised 2011)" QZ No. 21 ;

8. "House Ownership Certificates" and "Certificates of the Use of State-own Land" provided by the client;

9. Real Estate Appraisal Contract signed between the client and the appraiser;

10. "Fujian Construction Engineering Consumption Quota" (2005), "Fujian Building Decoration Engineering Consumption Quota" (2005), "Fujian Municipal

Engineering Consumption Quota" (2005), "Fujian Construction Engineering Integrated Unit Price Table" (2005), "Fujian Building Decoration Engineering Integrated Unit Price Table" (2005), "Fujian Municipal Engineering Integrated Unit Price Table" (2005), "Fujian Integrated Unit Price Table of National Unified Installation Budget Quota" (2002), and the engineering price information and corresponding price indexes near the time point of appraisal;

11. The relevant data known by the company and the data acquired by the appraising personnel from site survey

VIII. Principles of Appraisal

Under the highest principles of independence, objectiveness and fairness, this appraisal follows the following technical principles.

1. Legitimacy principle: The appraisal should be made under the prerequisite of the legitimate use and disposal of the subject property. Legitimacy refers to compliance with the national laws and regulations, and local government regulations so that its rights can be protected by law and embodied.

2. Principle of appraisal time point: The appraisal result should be the objective rational price or value of the subject property at the time point of appraisal.

3. Principle of substitution: The appraisal result should not deviate irrationally from the normal price of similar real estate under the equivalent conditions.

4. Principle of highest and best use: The appraisal should be made under the precondition of the highest and best use of the subject property. This appraisal is made under the prerequisite of continuous use of the subject property at the current state.

5. Prudence principle: When making judgment under uncertain factors, the appraiser should keep necessary prudence and fully consider the possible

restrictions, risks and losses in the disposal of the subject property without overestimation of its market value or underestimation of the known legal priority right to repayment.

IV. Ideas and Methods Adopted in Appraisal:

(I) Solution for the price of right to land use:

According to the "Code for Urban Land Appraisal" (hereinafter referred to as the Code), the universal appraisal methods include market comparison approach, income capitalization approach, residual method, cost approximation method, benchmark land price-based correction method, etc. The appraisal method should be selected according to the technical code of land price, and in light of the local real estate market development and the specific characteristics and appraisal purpose of the subject property. As the subject property is land for industry use, the benchmark land price-based correction method can be selected.

Benchmark land price-based correction method:

Basic principal: It is a land evaluation method that takes the government-published benchmark land price for the land class of the subject property as the basis, and modifies the influencing factors through the analysis of regional factors and individual factors so as to find the land price of the involved land parcel. Its calculation formula is:

Land parcel price= benchmark land price x (1+ΣK) × modified land use years x modified land price date x modified land development degree

(II) Solution of building price

As the subject property is self-built buildings, it is hard to find local comparative transaction cases, and therefore, the cost method is adopted in the appraisal. Cost method is an appraisal method that is based on the sum of all necessary costs required by developing or constructing the real estate or similar real estate of the subject property, and then adds normal profits and payable taxes

and fees to find the real estate price of the subject property. Its calculation formula is:

Building replacement cost=project construction and installation cost + early period and professional expenses+ supporting expense+ management expense + investment interests+ profits+ taxes and fees

Building price= replacement cost x building area x newness rate

(III) Solution of the real estate value of the subject property

Real estate value of the subject property = price of land use right + building price.

X. Appraisal Result:

According to the appraisal principles and the appraisal purpose "to provide the market price reference for the subject property to the client for assets accounting", by adopting the benchmark land price-base correction method and cost method, in light of the current real estate market condition, we have carried out analysis and estimation of the subject property and concluded that the real estate market value of the subject property at the appraisal time point (Jan. 14, 206) that satisfies the assumptions and constrains of this appraisal is RMB fifty-nine million four hundred and twenty-nine thousand yuan only (¥59,429,000), where, A# land parcel has a market value of 10.32 million yuan at a unit price of 501yuan/m^2 (converted to 334,000 yuan/mu); B# land parcel has a market value of 4.6 million yuan at a unit price of 501yuan/m^2 (converted to 334,000 yuan/mu); C# land parcel has a market value of 3.228 million yuan at a unit price of 501yuan/m^2 (converted to 334,000 yuan/mu); Dormitory building 2 has a market value of 5.292 million yuan at a unit price of 701yuan/m^2; Dormitory building 3 has a market value of 5.549 million yuan at a unit price of 701yuan/m^2; Factory Buildings 1, 2 and 4 has a market value of 30.44 million yuan at a unit price of 701yuan/m^2.

XI. Appraising personnel:

Certified appraisers: Wang Junfang, Lin Shunju and You Longjun Real estate appraiser: Yang Jingwen

XII. Appraisal Operation Date: Jan. 14, 2016 ~Jan. 15, 2016

XIII. Validation Period of Appraisal Report Use The validation period of this appraisal report use for the specified purpose shall be one year (as of the issue date of the report, i.e. from Jan. 15, 2016 to Jan. 14, 2017).

XIV. Liquidity Analysis:

Liquidity refers to the possibility of converting the real estate into cash without much loss in the assumed realization of the subject property at the appraisal time point.

Based on the comprehensive analysis of the individual factors and regional factors of the subject property, the appraiser holds that it has a good versatility and strong independent usability and can not be separately used, and its complete ownership will facilitate its transfer. It is assumed that if the subject property is auctioned some day later, due to the impacts of enforced disposal, psychological repellence of purchasing group, etc, its realized price may be lower than this appraisal value.

In case of liquidation, its liquidation sequence will be: ①disposal charges and commission; ②statutory priority payments; ③ debt principal and interests and default fine to the mortgagee (creditor); ④ remaining amount for owner

Attachment: Appraisal Technical Report

Real estate appraiser (signature):

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

Jan. 15, 2016

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Technical Report of Real Estate Appraisal

I. Description and Analysis of the Physical Condition of Subject Property

The subject property includes three land parcels for industrial purposes and three aboveground buildings on them that are located on No. 200708 land block in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City, which belongs to Fujian Great Fashion Industry Co.,Ltd According to the client-provided "House Ownership Certificates" [No. Quzhou House Certificate Licheng District (Li) No. 201201224, 201201225 and 201201226] and the Certificates for the Use of State-owned Land [No. QGY (2010) No. 100090, 100091 and 100092] , the building area is 58888.74 square meters and the area covered by land use right is 36223.10 square meters. According to the site survey conducted by the company' s appraising personnel, the specific current conditions of the subject property are as follows:

Form of the Current Building States of Subject Property

Building No.	Usage	Structure	Total storeys	Year of completion	Building area (m^2)	Interior state of the subject property
Dormitory building 2	Dormitory building	Reinforced concrete	Seven storeys	2010	7548.54	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface, aluminum composite panel ceiling for the 1st floor, and above the 2nd floor, cement paint coated interior aluminum alloy windows and burglar-proof doors, stone plate stairs, and stainless steel railing and handrail
Dormitory building 3	Dormitory building	Reinforced concrete	Six storeys	2010	7916.47	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface, aluminum composite panel ceiling for the 1st floor, and above the 2nd floor, cement paint coated interior aluminum alloy windows and burglar-proof doors, stone plate stairs, and stainless steel railing and handrail
Factory buildings 1, 2 and 4	Factory building	Reinforced concrete	Five storeys	2010	43423.73	Ceramic tile paved exterior wall surface, cement leveling and clinker brick interior ground floor, cement paint coated interior wall surface, aluminum composite panel ceiling for the 1st floor, and above the 2nd floor, cement paint coated interior aluminum alloy windows and burglar-proof doors, stone plate stairs, and stainless steel railing and handrail
In total	—	—	—	—	58888.74	—

II. Description and Analysis of the Rights of Subject Property

According to the client-provided "House Ownership Certificates" [No. Quzhou House Certificate Licheng District (Li) No. 201201224, 201201225 and 201201226] ,House owner of the subject property: Fujian Great Fashion Industry Co.,Ltd According to the client-provided "Certificate of the Use of State-owned Land" [No. QGY (2010) No. 100090, 100091 and 100092], the holder of the land use right of the subject property is Fujian Great Fashion Industry Co.,Ltd The specific information is as follows

III. Description and Analysis of the Positional Condition of Subject Property

The subject property is located on No. 200708 land parcel in Jiangnan High Tech Information Industrial Park, Licheng District, Quanzhou City. According to the "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (revised 2011)" QZ No. 21 [2011 Rev.], the land parcel of the subject property belongs to Grade III land for industry use in Quanzhou central urban area. Refer to the attachment for the specified position. The analysis of the regional factors of the subject property is as follows:

1. Industrial clustering degree: Surrounding the subject property is the industrial park that has a good industrial clustering degree, and near to it are Shengde Machinery, Haitian Material Technology Company, Senglong Telecommunications Company, etc.

2. Traffic condition: The subject property is near Laixin Street. The traffic access is convenient.

3. Completion degree of public supporting facilities: Surrounding the region are mostly industrial buildings, land for industrial use, farm land, and the public supporting facilities remain to be perfected.

4. Environment and landscape: As surrounding the subject property are all

industrial plant buildings and dormitory buildings, there is certain degree of noise pollution; however, the water environment is good, and has no evident pollution; the surrounding greening is average. According to the site survey of the area where the subject property of the appraisal is located and the above analysis, the environment and landscape conditions of the involved area are general.

IX. Analysis of Market Background:

1. Geographic location

Quanzhou City is a costal city in Southeast Fujian and faces Taiwan across the Strait. It administers four districts, namely, Li Cheng, Fengze, Luojiang and Quangang, three cities, namely Jinjiang, Shishi and Nan' an, four counties, namely Hui' an, Anxi, Yongchun and Dehua and Qingmeng Development Zone, and has an area of 11015 square kilomeers and a population of more than 7.6 million people. With deep cultural deposits, rich humane and tourism resources, a long opening history, and a strong market atmosphere for winning from struggling, Quanzhou is a hot place for property investments. Quanzhou is Fujian' s economic center and one of its three biggest cities, and has ranked the first in terms of economic aggregate in Fujian for consecutive 13 years. Meanwhile, Quanzhou is also a city with the highest economic aggregate among the 20 cities of strait west side, Xiamen cluster, and Quanzhou bay city cluster is one of the tree biggest central cities clusters in the western Taiwan straits economic zone.

2. Industrial development situation

According to the " Statistics Bulletin of Quanzhou 2013 National Economic and Social Development" recently released by Quanzhou Municipal Statistics Bureau, Quanzhou realized a total industrial value added of 28.9255 billion yuan in 2013, up 12.6 percent from the previous year, and its industrial contribution rate to the economic growth reached 62.6 percent. In 2013, Quanzhou realized a total industrial output of 105.899 billion yuan, and the total above-designated size industrial output was 93.7876 billion yuan, up 13.5 percent and 13.9 percent year

on year, respectively. The above-designated size industry realized a sales output of 90.8486 billion yuan, up 10.6 percent year on year, including export delivery value of 16.2077 billion yuan, up 18.0 percent. There were 1891 above-100 million yuan enterprises, 187 more than the previous year, including 117 above-one billion yuan enterprises, 24 more than the previous year.

In 2013, Quanzhou above-designated size industrial benefit index reached 242.85, and the growth of above-designated size industrial total profit was higher than the provincial level while the enterprise loss was the lowest in the province, with the enterprise benefits turning better slightly. However, due to cost rise and PPI decline instead of rise, the enterprise profit space was compressed, and non-quick innovations in technology, product, brand and commercial mode led to more difficulties in enterprise operation and increased pressure in market exploitation. In 2014, it is believed that Quzhou' s integral economic development will keep a healthy development trend, the construction of new projects will have a good continuation, the driving of investment on GDP will still be remarkable, and the contribution of industrial economy will still account for a large proportion to the integral economy. However, with the weakening of marketing demand and the decline of international staple commodity prices, the demand on industrial real estate will be reduced to a certain extent and tend to be moderate.

V. Analysis of Highest and Best Use

The current usage of the subject property conforms to the urban planning, and in terms of its economic geographic position in the city and the constraints of land resource optimization deployment and planning, also conforms to the legal requirements. From a point of view of long term development, we hold that it is most favorable for the subject property to be used for the current usage.

VI. Selection of Appraisal Method:

(I) Solution for the price of right to land use:

According to the "Code for Urban Land Appraisal" (hereinafter referred to as the Code), the universal appraisal methods include market comparison approach,

income capitalization approach, residual method, cost approximation method, benchmark land price-based correction method, etc. The appraisal method should be selected according to the technical code of land price, and in light of the local real estate market development and the specific characteristics and appraisal purpose of the subject property. As the subject property is land for industry use, the benchmark land price-based correction method can be selected.

Benchmark land price-based correction method:

Basic principal: It is a land evaluation method that takes the government published benchmark land price for the land class of the subject property as the basis, and modifies the influencing factors through the analysis of regional factors and individual factors so as to find the land price of the involved land parcel. Its calculation formula is:

Land parcel price= benchmark land price x (1+ΣK) × modified land use years x modified land price date x modified land development degree

(II) Solution of building price

As the subject property is self-built buildings, it is hard to find local comparative transaction cases, and therefore, the cost method is adopted in the appraisal. Cost method is an appraisal method that is based on the sum of all necessary costs required by developing or constructing the real estate or similar real estate of the subject property, and then adds normal profits and payable taxes and fees to find the real estate price of the subject property. Its calculation formula is as follows:

Building replacement cost=project construction and installation cost + early period and professional expenses+ supporting expense+ management expense + investment interests+ profits+ taxes and fees

Building price= replacement cost x building area x newness rate

(III) Solution of the real estate value of the subject property

Real estate value of the subject property = price of land use right + building price

VI. Appraisal Calculation Process:

(I) Estimation of the price of land use right

1. Determination of benchmark land price (P_0) of the subject property

The land use right of the subject property is of transferred land type for the purpose of industry. According to the "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (2011 Rev.)" QZ No. 21 [2013], the land parcel of the subject property belongs to Grade III land for industry use in Quanzhou urban area, and its benchmark land price is 490 yuan/m2 (converted to 326,700 yuan/mu). The connotation of this benchmark land price is: The benchmark land price for industrial land is the average ground mature land price of the industrial homogenous zone on Jan. 1, 2011 under the conditions of land development degree of "five connections and one leveling" average plot ratio of industrial land of 1.0 and 1 and use period for industrial purpose of 50 years.

2. Correction coefficient (K) for the factors influencing the price of the land parcel of the subject property:

Table 1 Description of Influencing Factors for Land Used for Factory, Mine and Warehousing

Influencing Factor	Influencing factor	Excellent	Good	average	Inferior	bad
Traffic Condition	Traffic facility to the outside	Distance to an entrance of expressway or railway station ≤1km	Distance to an entrance of expressway or railway station ≤3km	Distance to an entrance of expressway or railway station ≤5km	Distance to an entrance of expressway or railway station ≤8km	Distance to an entrance of expressway or railway station >8km
	Traffic Convenie	There are several trunk roads and	There is a trunk road in	There are several secondary trunk	There are only branch	There are no roads above

	nce	secondary trunk roads in the surrounding area, making traffic very convenient	the surrounding area, making traffic rather convenient.	roads in the surrounding area, making traffic basically satisfying the access requirement	roads, making traffic not convenient.	branch artery level, making traffic inconvenient.
	street-a side roads	near to traffic type trunk roads	Near to traffic type secondary trunk roads or mixed type trunk roads	Near to traffic type secondary trunk roads or other type secondary trunk roads	Near to branch arteries or branch roads.	Near to lanes or not near to street
Basic Facilities	Infrastructure guarantee degree	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is ≥98%.	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is 98%~95%	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is 90%~95%.	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is 80%~90%.	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is≤80%
Environment Quality	Environment Advantages and disadvantages	Basically no pollution, and a surrounding large park or leisure square	Light air or noise pollution, and a surrounding large park or leisure square	Air or noise pollution to a certain degree, and a surrounding small and medium park or green land	Relatively serious air, noise or water pollution	Serious air, noise or water pollution
Industry	Industrial clustering degree	Located in an industrial zone with a remarkable internal clustering size	Located in an industrial zone with an average internal clustering size	Located in an industrial zone, where there is no inside clustering but an outside clustering.	Located in an industrial zone where there is a certain surrounding clustering size	Located outside an industrial zone and no clustering size
Individual Factor	Ground bearing capacity	A good ground bearing capacity that can fully satisfy the engineering requirement	A fair ground bearing capacity that can satisfy the engineering requirement	An average ground bearing capacity that has basically no negative impact on engineering	An inferior ground bearing capacity that may have certain impact on engineering	A poor ground bearing capacity that is basically unable to satisfy the engineering requirement
	Shape of land parcel	Rectangular shape	Approximate rectangular shape	Irregular shape that has no impact on land use	Irregular shape that may have certain impact on	Very irregular shape that will have a great impact on land use

					land use	
	Topography	Very good	Good	average	Influential	Seriously influential
	Plot ratio	Plot ratio≥2.0	1.2≤ plot ratio<2	1.0≤ plot ratio< 1.2	0.8≤ plot ratio<1.0	Plot ratio<0.8

Table 2 Correction Coefficients for Land Used for Factory, Mine and Warehousing

(Grade III)

Influencing factor	Influencing factor	Excellent	Good	average	Inferior	bad
Traffic condition	Traffic facility to the outside	2.52	1.26	0	-1.26	-2.52
	Traffic convenience	0.84	0.42	0	-0.42	-0.84
	street-aside roads	0.84	0.42	0	-0.42	-0.84
Infrastructure	Infrastructure guarantee degree	3.00	1.50	0	-1.50	-3.00
Environment quality	Environment advantages and disadvantages	1.20	0.60	0	-0.60	-1.20
Industry	Industry	3.00	1.50	0	-1.50	-3.00
Individual factor	Ground bearing capacity	0.72	0.36	0	-0.36	-0.72
	Shape of land parcel	0.72	0.36	0	-0.36	-0.72
	Topography	1.08	0.54	0	-0.54	-1.08
	Plot ratio	1.08	0.54	0	-0.54	-1.08

Table 3 Corrective Coefficients of Regional and Individual Factors of Land Parcel

Influencing factor	Influencing factor	Advantages and disadvantages	Value taken
Traffic condition	Traffic facility to the outside	Inferior	-1.26
	Traffic convenience	average	0
	street-aside roads	average	0.42
Infrastructure	Infrastructure guarantee degree	average	0
Environment quality	Environment advantages and disadvantages	Good	0.6
Industry	Industry	average	0
Individual factor	Ground bearing capacity	Good	0.36
	Shape of land parcel	average	0.36
	Topography	average	0
	Plot ratio	Good	0.54
In total	-		0.18

Correction coefficient of regional and individual factors of the subject propertyK= (1+0.18%) =1.0018.

3. Correction coefficient T for appraisal date:

The benchmark land price of this appraisal corresponded to the base date of Jan. 1, 2011, 5.04 years prior to the time point of this appraisal. The investigation and analysis indicate that the price for the land for industrial use in the area where the subject property is located has risen greatly in recent years. According to an analysis based on our data, during the period, the industrial land price has had an average year on year growth of about 0.95 percent, then:

Correction coefficient for appraisal date= $(1+0.95\%)^{5.04}=1.0488$.

4. Correction coefficient F for development degree:

The five connections and one leveling (road connection, water supply connection, drainage connection, electricity connection, communication connection and land leveling) in Quzhou central urban planned area are defined for the benchmark land price. The actual development degree of the land parcel under appraisal has reached internal and external five connections and one leveling, and, therefore, the development degree needs no correction, and F=0yuan/ m^2.

5. Correction coefficient Y for land use years:

According to the "Certificate for the Use of State-owned Land" provided by the client, the subject property belongs to transferred land for industry, whose transfer expiration date is May 11, 2059, with the remaining use life being 43.35 years at the time point (Jan. 14, 2016) of this appraisal. For m, the highest legal use life of 50 years is taken, the land reduction rate r is determined by summation, the riskless rate takes 1.5% which was the one year deposit interest rate released by People' s Bank of China on the appraisal base date, the risk adjust value is 4.5%, and therefore, the land reduction rate is 6%.

$$Y_1=[1-1/(1+6\%)^{43.35}] \div [1-1/(1+6\%)^{50}]=0.9728$$

6. Determination of the unit price of the land parcel of the subject property

Land parcel price= benchmark land price x (1+ΣK) × modified land use years x modified land price date x modified land development degree

=490×1.0018×0.9728×1.0488+0.0≈501 yuan /㎡

7. Calculation of the price of the use right of the land parcel of the subject property :

Price of land use right for A# land parcel =501×20599.70=10320450 yuan, rounded up to 10.32 million yuan.

Price of land use right for B# land parcel =501×9181.10=4599731 yuan, rounded up to 4.6 million yuan.

Price of land use right for B# land parcel =501×6442.30=3227592 yuan, rounded up to 3.228 million yuan.

Total price of land use right for land parcels=10.32 + 4.6+3.228=18.148 million yuan.

(II) Calculation of the building appraisal price

1. Construction and installation engineering cost

According to the data about the subject property provided by the client, based on the site survey and analysis of the subject property, and by making reference to the "Fujian Construction Engineering Consumption Quota" (2005), "Fujian Building Decoration Engineering Consumption Quota" (2005), "Fujian Municipal Engineering Consumption Quota" (2005), "Fujian Construction Engineering Integrated Unit Price Table" (2005), "Fujian Building Decoration Engineering Integrated Unit Price Table" (2005), "Fujian Municipal Engineering Integrated Unit Price Table" (2005), "Fujian Integrated Unit Price Table of National Unified Installation Budget Quota" (2002), and the corresponding price indexes and price differences of three materials, we carried out the calculation,

compared the construction price standards for the same quality type buildings at the appraisal time point, and considered the differences of individual factors of the buildings of the subject property, such as foundation, span, storey height and plane layout, and the specific values taken are shown in the table below:

Name of Project:	Building structure	Toto storeys of building	Building area (㎡)	Unit price of construction and installation (yuan/㎡)
Dormitory building 2	Reinforced concrete	Seven storeys in all	7548.54	600
Dormitory building 3	Reinforced concrete	Six storeys in all	7916.47	600
Factory buildings 1, 2 and 4	Reinforced concrete	Five storeys in all	43423.73	600

2. Early period and professional expenses

The early period and professional expenses include expenses for consultation, feasibility study, planning and survey & design, which are generally set to be a certain ratio to the house construction and installation engineering cost. Considering the price level at the appraisal time point, the early period and professional expense are determined to be 5% of the construction and installation engineering cost.

3. Supporting expense

The supporting expense includes the construction cost of enclosing wall, roads, water supply & drainage, greening and other supporting facilities. In light of the actual condition of the subject property of this appraisal, the supporting expense is determined to be 5% of the construction and installation engineering cost.

4. Management expense

The management expense refers to the cost incurred during the house development and organization management. It is generally taken as 3% of the sum of (1), (2)

and (3).

5. Investment interest

In light of the conditions of the subject property, it is assumed that its construction period is one year, and the annual interest rate takes 6.0%, which is the current one year loan rate of national bank. The early period and professional expenses are one-time input at the beginning of the construction period while the construction and installation cost, supporting expense and management expense are regarded as uniform investments during the construction period.

6. Investment profit

The profit rate of cost of the same type real estate development in this area is generally 10% -15%. In light of the overall condition of the buildings on the subject property of this appraisal, its profit rate of cost is taken as 10% in the appraisal.

7. Sales taxes and fees

As the subject property is self-built and self-used factory buildings and dormitory buildings, sales taxes and fees are excluded in this appraisal.

8. The newness rate is determined by useful life method and site observation method:

a. Useful life method: The building depreciation is based on the relation between building service life and elapsed years or remaining life. Calculation formula: Newness rate=remaining useful years/(remaining useful years + elapsed years) x100%

According to the "Code of Real Estate Appraisal", the useful economic life of the production plant buildings of reinforced concrete structure is 50 years, and they have been used for 5 years, with the remaining use life being 45 years;

the economically useful life of the non-production plant buildings of reinforced concrete structure for dormitory is 60 years, and they have been used for 5 years, with the remaining use life being 55 years; the land expiration date is May 11, 2059, with the remaining use life being 43.35 years. According to the principle "taking which is shorter", the land remaining use life of the subject property is taken; and the integrated newness rate is determined by simple arithmetic average method. Refer to the table below for detail.

Name	Building Structure	Completion Time (year)	Economically useful life	Elapsed Time (year)	Remaining useful life (year)	Newness rate by life depreciation method	Newness rate by site observation	Integrated newness rate
Dormitory building 2	Reinforced concrete	2010	60	5	43.35	43.35 / (5+ 43.35) =90%	92%	91%
Dormitory building 3	Reinforced concrete	2010	60	5	43.35	43.35 / (5+ 43.35) =90%	92%	91%
Factory buildings 1, 2 and 4	Reinforced concrete	2010	50	5	43.35	43.35 / (5+ 43.35) =90%	92%	91%

9. The building value of the subject property is calculated as shown in the table below:

Name of Project:	Building area (m^2)	Unit price of construction and installation (yuan/m^2)	Early period and professional expenses (yuan/m^2)	Supporting expense (yuan/m^2)	Management expense (yuan/m^2)	Investment interest (yuan/m^2)	Investment profit (yuan/m^2)	Unit price of replacement (yuan/m^2)	Newness rate	Market unit price (yuan/m^2)	Evaluated value, round to thousand digit place (yuan)
Dormitory building 2	7548.54	600	30	30	19.8	20.1	70.0	770	91%	701	5292000
Dormitory building 3	7916.47	600	30	30	19.8	20.1	70.0	770	91%	701	5549000
Factory buildings 1, 2 and 4	43423.73	600	30	30	19.8	20.1	70.0	770	91%	701	30440000
In total	58888.74	–									41281000

(III) Determination of the real estate market value of the subject property

Real estate market value of the subject property =appraised value of the land use right of the subject property + appraised value of the building of the subject property

=1814.8+4128.1=59.429 million yuan.

(In words: RMB fifty-nine million four hundred and twenty-nine thousand yuan only)

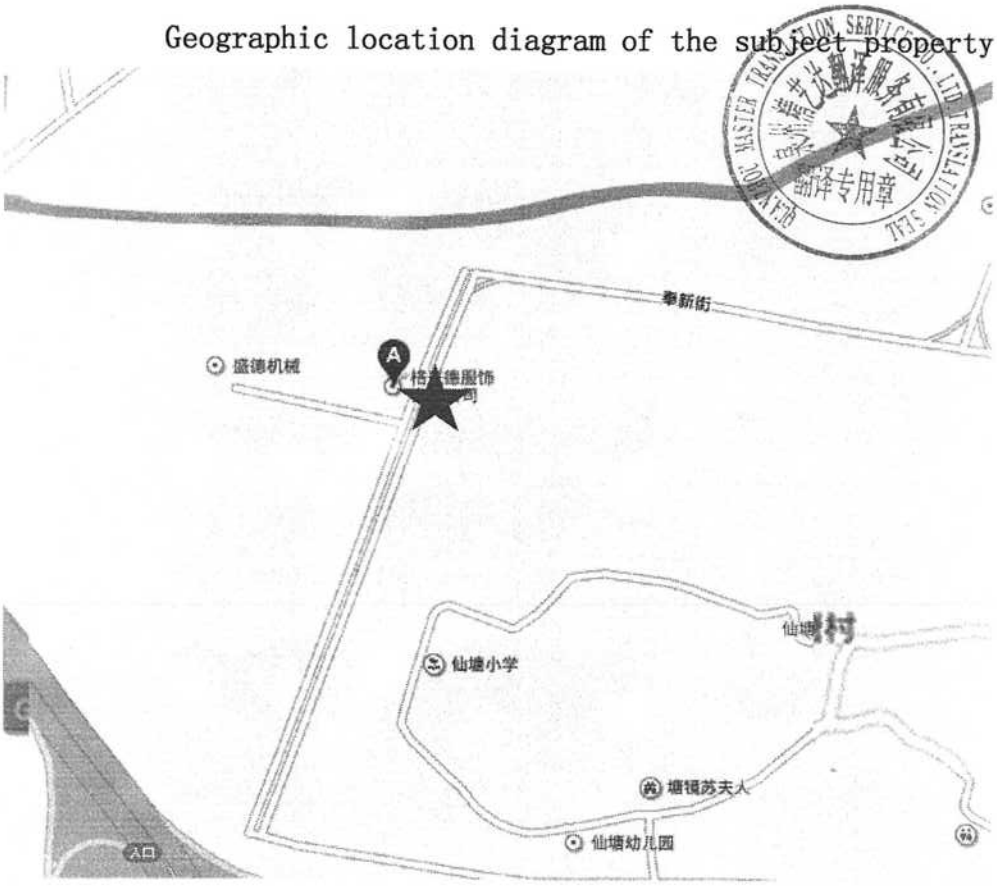
VII. Determination of Appraisal Result

According to the appraisal principles and the appraisal purpose "to provide the market price reference for the subject property to the client for assets accounting", by adopting the benchmark land price-base correction method and cost method, in light of the current real estate market condition, we have carried out analysis and estimation of the subject property and concluded that the real estate market value of the subject property at the appraisal time point (Jan. 14, 206) that satisfies the assumptions and constrains of this appraisal is RMB **fifty-nine million four hundred and twenty-nine thousand yuan only (¥59,429,000)**, where, A# land parcel has a market value of 10.32 million yuan at a unit price of 501yuan/m² (converted to 334,000 yuan/mu); B# land parcel has a market value of 4.6 million yuan at a unit price of 501yuan/m² (converted to 334,000 yuan/mu); C# land parcel has a market value of 3.228 million yuan at a unit price of 501yuan/m² (converted to 334,000 yuan/mu); Dormitory building 2 has a market value of 5.292 million yuan at a unit price of 701yuan/m²; Dormitory building 3 has a market value of 5.549 million yuan at a unit price of 701yuan/m²; Factory Buildings 1, 2 and 4 has a market value of 30.44 million yuan at a unit price of 701yuan/m².

Attachments

1. Geographic location diagram of the subject property;
2. Relevant photos of the subject property;
3. House ownership certificates [No. Quzhou House Certificate Licheng District (Li) No. 201201224, 201201225 and 201201226](copy);
4. Certificates for the use of state-owned land [No. QGY (2010) No. 100090, 100091 and 100092](copy);
5. Corporate legal person business license of the real estate appraising institution (copy);
6. Quality certificate of the real estate appraising institution (copy);
7. Registration certificates of certified real estate appraisers (copy)

Geographic location diagram of the subject property



Note: The location of the subject property is marked with "★".

Photos of the subject property (I)



Exterior of buildings



Exterior of buildings



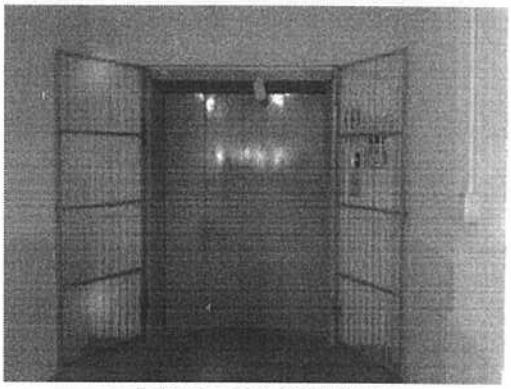
Exterior of buildings



Exterior of buildings



Interior of buildings



Interior of buildings

Photos of the subject property (II)



Interior of buildings



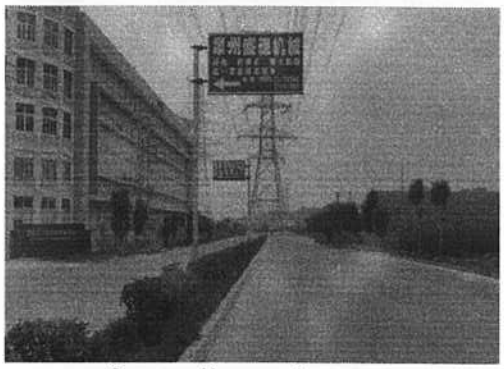
Interior of buildings



Interior of buildings



Interior of buildings



Surrounding environment



Surrounding environment

Real Estate Appraisal Report

(Fujian) Guangming[2016] /(House) Zi No. QZY075



Name of appraisal project: one land parcel for industrial purposes and two aboveground buildings, the aforementioned being located at Jiangnan Industrial Park which belongs to Quanzhou Great Garments Co.,Ltd

Client: Quanzhou Great Garments Co.,Ltd

Appraiser: Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

Appraisers: Wang Junfang Li Shuju Yang Jingwen

Appraisal Operation Date: Jan. 14, 2016 ~Jan. 15, 2016

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Summary of Appraisal Report

Client	Quanzhou Great Garments Co.,Ltd	Owner:	Quanzhou Great Garments Co.,Ltd	
Name of Project:	one land parcel for industry purpose and two aboveground buildings thereon that is located Jiangnan Industrial Park that belongs to Quanzhou Great Garments Co.,Ltd			
Document of Title	Certificate of House Ownership [No. Quzhou House Certificate Licheng District (Li) No. 200510995] Certificate for the Use of State-owned Land [No. QGY (2007) No. 100009]			
Time point of appraisal	Jan. 14, 2015			
Purpose of appraisal	To provide a market price reference for the subject property to the client for assets accounting			
Subject property	Planned purpose of house	Factory building	Land type (usage)	Industry
	Year of completion	2000	Type of land use right	Transfer
	Building structure	Reinforced concrete	Area covered by land use right	5295.10 m²
	Total building area	10432.53 m²	Expiration date	Dec. 15, 2055
	Factory building 2 has a building area of 3521.6m²; factory building 1 has a building area of 6910.84 m²			
Method of appraisal	Benchmark land price-based correction method:			
Result of appraisal	Type of currency	RMB		
	Total market price	RMB ten million one hundred and eight-six thousand only (¥10,186,000)		

	Market unit price	The market value of the land parcel is 3.352 million yuan at a unit price of 633 yuan/m2 (converted to 422,000 yuan/m²); factory building 1 has a market value of 2.307 million yuan at a unit price of 655 yuan/m²; factory building 2 has a market value of 4.527 million yuan at a unit price of 655 yuan/m².

The above content is quoted from the real estate appraisal report. To understand this appraisal project in an all-round manner, please read the real estate appraisal report in its entirety.

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II. Statement of Certified Real Estate Appraiser

III. Appraisal Assumptions and Restrictions

IV. Report of Real Estate Appraisal Result

V. Technical Report of Real Estate Appraisal

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Letter to the Client

(Fujian) Guangming (Real Estate) Zi No. QZY075

Quanzhou Great Garments Co., Ltd :

Under your company' s entrustment, we have designated appraising personnel to carry out the price appraisal of the subject property.

According to the client-provided "House Ownership Certificates" [No. Quzhou House Certificate Licheng District (Li) No. 200510995] and the Certificates for the Use of State-owned Land [No. QGY (2007) No. 100090] and the site survey by the company' s appraising personnel: The subject property includes one land parcel for industry purpose and two aboveground buildings thereon that is located Jiangnan Industrial Park that belongs to Quanzhou Great Garments Co., Ltd. The specific information is as follows:

Planned purpose of house	Factory building	Land type (usage)	Industry
Year of completion	2000	Type of land use right	Transfer
Building structure	Reinforced concrete	Area covered by land use right	5295.10 m^2
Total building area	10432.53 m^2	Expiration date	Dec. 15, 2055
Factory building 2 has a building area of 3521.6m^2; factory building 1 has a building area of 6910.84 m^2			

Now, according to the laws, regulations and policy documents issued by the state and government, the data known by the company and the relevant information provided by the client, following the appraisal principles, by using the benchmark land price-based correction method and cost method, in light of the appraisal purpose "to provide a market price reference for the subject property to the client for assets accounting", and combining the current real estate market condition, we have carried out analysis and estimation of the subject property. It is our conclusion that the real estate market value of the subject property at the time

of appraisal (Jan. 14, 2016), that satisfies the assumptions and constrains of this appraisal, is RMB ten million one hundred and eighty-six thousand yuan only (¥10,186,000), where the market value of the land parcel is 3.352 million yuan at a unit price of 633 yuan/m² (converted to 422,000 yuan/mu); factory building 1 has a market value of 2.307 million yuan at a unit price of 655 yuan/m²; factory building 2 has a market value of 4.527 million yuan at a unit price of 655 yuan/m².

For details, please read the whole text of the report.

Legal representative:

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

Jan. 15, 2016

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Statement of Certified Real Estate Appraiser

We hereby solemnly state that:

1. The facts we state in this appraisal report are true and accurate.

2. The analysis, opinion and conclusion of this appraisal report are made by ourselves based on fair professional analysis, but are restricted by the assumptions and constrains specified in the report.

3. We have neither a stake with the subject property of the appraisal report nor personal interest relation with or prejudice against the concerned party.

4. We have conducted analysis, formed opinions and conclusions and written the appraisal report in accordance with the national standards "Code for Appraisal of Real Estate" and "Guiding Opinions on Real Estate Mortgage Appraisal" jointly issued by the Ministry of Construction of the People's Republic of China, People's Bank of China and China Banking Regulatory Commission.

5. We have conducted a site survey of the subject property, (by real estate appraiser: Lin Shunju, certified No: 3520030041; real estate appraiser: Lin Jingwen), but our survey was only limited to the appearance and use condition of the subject property. We will bear neither the liability for any investigation of the structural quality of the buildings on the subject property nor liability for an inspection of those parts of the property that are difficult to observe.

6. No individuals have provided important professional assistance to this appraisal report.

7. The purpose of a certified appraiser conducting a real estate appraisal is to estimate and issue professional opinions on the value of subject property, and the confirmation of or offering of opinions on the legal ownership of the subject property is beyond the scope or practice of a certified appraiser. Therefore the certified appraiser will not bear liability for the authenticity, legitimacy and completeness of the legal ownership data about the subject property provided by the client or the concerned party.

Real estate appraiser (signature):

Jun. 15, 2016

Appraisal Assumptions and Restrictions

I. Appraisal Assumptions:

1. The appraisal for the subject property is made under the precondition that the subject property will be continuously used at the current state.

2. The appraisal is made under the prerequisite that all data provided by the client is authentic, legitimate and effective, and the client shall bear total liability for the authenticity, legitimacy and effectiveness of the appraisal data provided. Meanwhile, this appraisal does not consider possible defects in ownership. The data about area are sourced from the copies of ownership certificates provided by the client.

3. The subject property has no right constraints such as being mortgaged or leased. The original mortgage relation has been released if any.

4. The subject property is able to keep normal use within the [illegible] period or approved land use period.

II. Appraisal Constraints:

1. With changes of policy, local economy, local real estate market and the surrounding environment, the above real estate value of the appraisal will also change and should be revised or adjusted accordingly.

2. The appraisal report considers neither the impact of the other rights and liabilities set at the time point of the appraisal of the subject property and other relevant risks on the appraisal result nor the impact of unforeseeable factors and force majeure factor on the appraisal result. The appraisal report considers no risks about mortgage, and the appraisal result is only used as reference purposes asset forth in this appraisal report and shall not be used for

any other purpose.

4. The appraisal result only considers the normal taxes and fees the seller will bear in case the subject property is transferred to the market in the future, but considers neither other taxes and fees such as auction commission and land value added tax nor the value loss due to quick liquidation. As the client did not offer information about other priority rights to repayment, the appraiser is unable to know about them and therefore, this appraisal result is the mortgage value without other legal priority rights to repayment.

4. This appraisal institution and the appraisal personnel shall not bear any liability caused by the user of this report due to neglecting the relevant matters disclosed in this report.

5. With respect to the defects that may affect the appraisal result, as the client has made no special mention of them, and while the appraisal personnel are generally not aware of them according to the practice experience, the appraisal institution and the appraisal personnel shall not bear any liability thus caused.

6. Without prior written consent from this company, this appraisal report shall be neither used in open documents, notice or report nor published in any form by any entity or individual.

7. The validation period of this appraisal report shall be one year as of the date of its issuance.

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Report of Real Estate Appraisal Result

(Fujian) Guangming (Real Estate) Zi No. QZY075

I. Client

Name: Quanzhou Great Garments Co.,Ltd

II. Appraiser:

Name Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

Domicile: No. 17, Huaqiao Xincun, Hongshan Town, Gulou District, Fuzhou, Fujian

Legal representative: Lei Yun

Industrial and Commercial License No.: 350000100030594

Qualification certificate:

"Qualification Certificate for Real Estate Price Appraisal" (Grade I) issued by Fujian Provincial Department of Housing and Urban and Rural Construction

No. 352014102 (valid till Dec. 4, 2017)

"Qualification Certificate for Land Assessment Institution" issued by China Land Valuers Association

No. A201135006 (valid till June 30, 2016)

III. Conditions of Subject Property:

(I) Description of the rights of the subject property:

According to the client-provided "House Ownership Certificate" [No. Quzhou House Certificate Licheng District (Li) No. 200510995], House owner of the subject property: Quanzhou Great Garments Co.,Ltd According to the client-provided "Certificate of the Use of State-owned Land" [No. QGY (2007) No. 100009], the holder of the land use right of the subject property is Quanzhou Great Garments

Co.,Ltd The specific information is as follows

Planned purpose of house	Factory building	Land type (usage)	Industry
Year of completion	2000	Type of land use right	Transfer
Drawing No.	Blank	Number of land parcel	10/00089, 10/00090, 10/00091
Building structure	Reinforced concrete	Area covered by land use right	5295.10 ㎡
Total building area	10432.53 ㎡	Expiration date	Dec. 15, 2055
Factory building 2 has a building area of 3521.6m²; factory building 1 has a building area of 6910.84 ㎡			

(II) Description of the positional conditions of subject property:

Location of the subject property: The subject property is located in Jiangnan Industrial Park, Licheng District, Quanzhou City, and surrounding it is an industrial park that has a high degree of industrial clustering and enjoys convenient access. According to the "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (revised 2011)" QZ No. 21 [2013 Rev.], the land parcel of the subject property belongs to Grade II land for industry use in Quanzhou central urban area. Refer to the attachment for the specified position.

(III) Description of the physical conditions of subject property:

The subject property includes one land parcel for industrial purposes and two aboveground buildings, the aforementioned being located in Jiangnan Industrial Park that belongs to Quanzhou Great Garments Co.,Ltd. According to the client-provided "House Ownership Certificates" [No. Quzhou House Certificate Licheng District (Li) No. 200510995] and the Certificates for the Use of State-owned Land [No. QGY (2007) No. 100009], the building area is 10432.53 square meters and the area covered by land use right is 5295.10 square meters. According to the site survey conducted by the company' s appraising personnel; the specific current conditions of the subject property are as follows:

Form of the Current Building States of Subject Property

Building No.	Usage	Structure	Total storeys	Year of completion	Building area (m^2)	Interior state of the subject property
Factory building 2	Factory building	Reinforced concrete	Six storeys	2000	3521.69	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface and ceiling, stone plate stairs, and stainless steel railing and handrail, and complete water, electricity and sanitary facilities
Factory building 1	Factory building	Reinforced concrete	Six storeys	2000	6910.84	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface and ceiling, stone plate stairs, and stainless steel railing and handrail, and complete water, electricity and sanitary facilities
In total	—	—	—	—	10432.53	—

IV. Purpose of Appraisal

To provide a market price reference of the subject property to the client for assets accounting

v. Time Point of Appraisal

Jan, 14, 2016 (date of site survey)

VI. Definition of Value:

The value of this appraisal refers to the market value of the above real estate at the time point of appraisal, i.e. the most possibly realized appraisal value of the real estate value, including the value of land use right, at the time point of appraisal without considering the impact of house leasing, mortgage, seal-up and corresponding credit rights and debts, but satisfying the appraisal assumptions and constraints.

VII. Criteria for Appraisal

1. "Law of the People' s Republic of China on Urban Real Estate Administration "

2. "Law of the People' s Republic of China on Land Administration "

3. "Guaranty Law of the People' s Republic of China", "Property Right Law

of the People' s Republic of China"

4. "Administrative Measures for Urban Real Estate Mortgage"

5. "National Standard of the People' s Republic of China: Code of Real Estate Appraisal" (GB/T50291-1999);

6. "Guiding Opinions on Real Estate Mortgage Appraisal" jointly issued by the Ministry of Construction of the People' s Republic of China, People' s Bank of China and China Banking Regulatory Commission (JZF No. 8);

7. "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (revised in 2010)" QZ No. 21 ;

8. "House Ownership Certificates" and "Certificates of the Use of State-own Land" provided by the client;

9. Real Estate Appraisal Contract signed between the client and the appraiser;

10. "Fujian Construction Engineering Consumption Quota" (2005), "Fujian Building Decoration Engineering Consumption Quota" (2005), "Fujian Municipal Engineering Consumption Quota" (2005), "Fujian Construction Engineering Integrated Unit Price Table" (2005), "Fujian Building Decoration Engineering Integrated Unit Price Table" (2005), "Fujian Municipal Engineering Integrated Unit Price Table" (2005), "Fujian Integrated Unit Price Table of National Unified Installation Budget Quota" (2002), and the engineering price information and corresponding price indexes near the time point of appraisal;

11. The relevant data known by the company and the data acquired by the appraising personnel from the site survey

VIII. Principles of Appraisal

Under the highest principles of independence, objectiveness and fairness, this

appraisal follows the following technical principles.

1. Legitimacy principle: The appraisal should be made under the prerequisite of the legitimate use and disposal of the subject property. Legitimacy refers to compliance with the national laws and regulations, and local government regulations so that its rights can be protected by law and embodied.

2. Principle of appraisal time point: The appraisal result should be the objective rational price or value of the subject property at the time point of appraisal.

3. Principle of substitution: The appraisal result should not deviate irrationally from the normal price of similar real estate under the equivalent conditions.

4. Principle of highest and best use: The appraisal should be made under the precondition of the highest and best use of the subject property. This appraisal is made under the prerequisite of continuous use of the subject property at the current state.

5. Prudence principle: When making judgment under uncertain factors, the appraiser should keep necessary prudence and fully consider the possible restrictions, risks and losses in the disposal of the subject property without overestimation of its market value or underestimation of the known legal priority right to repayment.

IV. Ideas and Methods Adopted in Appraisal:

(I) Solution for the price of right to land use:

According to the "Code for Urban Land Appraisal" (hereinafter referred to as the Code), the universal appraisal methods include market comparison approach, income capitalization approach, residual method, cost approximation method,

benchmark land price-based correction method, etc. The appraisal method should be selected according to the technical code of land price, and in light of the local real estate market development and the specific characteristics and appraisal purpose of the subject property. As the subject property is land for industry use, the benchmark land price-based correction method can be selected.

Benchmark land price-based correction method:

Basic principal: It is a land evaluation method that takes the government-published benchmark land price for the land class of the subject property as the basis, and modifies the influencing factors through the analysis of regional factors and individual factors so as to find the land price of the involved land parcel. Its calculation formula is:

Land parcel price= benchmark land price x (1+ΣK) × modified land use years x modified land price date x modified land development degree

(II) Solution of building price

As the subject property is a self-built buildings, it is hard to find a comparative local transaction cases, and therefore, the cost method is adopted in the appraisal. Cost method is an appraisal method that is based on the sum of all necessary costs required by developing or constructing the real estate or similar real estate of the subject property, and then adds normal profits and payable taxes and fees to find the real estate price of the subject property. Its calculation formula is:

Building replacement cost=project construction and installation cost + early period and professional expenses+ supporting expense+ management expense + investment interests+ profits+ taxes and fees

Building price= replacement cost x building area x newness rate

(III) Solution of the real estate value of the subject property

Real estate value of the subject property = price of land use right + building price .

X. Appraisal Result:

According to the appraisal principles and the appraisal purpose "to provide a market price reference of the subject property to the client for assets accounting", by adopting the benchmark land price-base correction method and cost method, in light of the current real estate market condition, we have carried out analysis and estimation of the subject property and concluded that the real estate market value of the subject property at the appraisal time point (Jan. 14, 206) that satisfies the assumptions and constrains of this appraisal is RMB ten million one hundred and eight-six thousand only (¥10,186,000), where, The market value of the land parcel is 3.352 million yuan at a unit price of 633 yuan/m² (converted to 422,000 yuan/mu); factory building 1 has a market value of 2.307 million yuan at a unit price of 655 yuan/m²; factory building 2 has a market value of 4.527 million yuan at a unit price of 655 yuan/m².

XI. Appraising personnel:

Certified appraisers: Wang Junfang, Lin Shunju and You Longjun Real estate appraiser: Yang Jingwen

XII. Appraisal Operation Date: Jan. 14, 2016 ~Jan. 15, 2016

XIII. Validation Period of Appraisal Report Use: The validation period of this appraisal report, as used for the purpose specified, shall be one year (as of the issue date of the report, i.e. from Jan. 15, 2016 to Jan. 14, 2017).

XIV. Liquidity Analysis:

Liquidity refers to the possibility of mortgaging the real estate into cash,

without much loss, in the assumed realization of the subject property at the time of appraisal.

Based on a comprehensive analysis of the individual factors and regional factors of the subject property, the appraiser holds that it has a good versatility and strong independent usability and can not be separately used, and its complete ownership will facilitate its transfer. It is assumed that if the subject property is auctioned some day later, due to the impacts of enforced disposal, psychological repellence of purchasing group, etc, its actual price may be lower than that of the appraisal value.

In the case of liquidation, its liquidation sequence will be: ①disposal charges and commission; ②statutory priority payments; ③ debt principal and interests and default fine to the mortgagee (creditor); ④ remaining amount for owner

Attachment: Appraisal Technical Report

Real estate appraiser (signature):

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.

Jan. 15, 2016

Fujian Guangming Assets Assessment & Real Estate Appraisal Co., Ltd.
Fujian Guangming Assets Assessment &Real Estate Appraisal Co.,Ltd

Technical Report of Real Estate Appraisal

I. Description and Analysis of the Physical Condition of Subject Property

The subject property includes one land parcel for industrial purposes and two aboveground buildings, the aforementioned being located at Jiangnan Industrial Park which belongs to Quanzhou Great Garments Co.,Ltd. According to the client-provided "House Ownership Certificates" [No. Quzhou House Certificate Licheng District (Li) No. 200510995] and the Certificates for the Use of State-owned Land [No. QGY (2007) No. 100009] , the building area is 10432.53 square meters and the area covered by land use right is 5295.10 square meters. According to the site survey conducted by the company' s appraising personnel, the specific current conditions of the subject property are as follows:

Form of the Current Building States of Subject Property

Building No.	Usage	Structure	Total storeys	Year of completion	Building area (㎡)	Interior state of the subject property
Factory building 2	Factory building	Reinforced concrete	Six storeys	2000	3521.69	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface and ceiling, stone plate stairs, and stainless steel railing and handrail, and complete water, electricity and sanitary facilities
Factory building 1	Factory building	Reinforced concrete	Six storeys	2000	6910.84	Ceramic tile paved exterior wall surface, clinker brick interior ground floor, cement paint coated interior wall surface and ceiling, stone plate stairs, and stainless steel railing and handrail, and complete water, electricity and sanitary facilities
In total	—	—	—	—	10432.53	—

II. Description and Analysis of the Rights of Subject Property

According to the client-provided "House Ownership Certificates" [No. Quzhou House Certificate Licheng District (Li) No. 200510995] , House owner of the subject property: Quanzhou Great Garments Co.,Ltd According to the client-provided "Certificate of the Use of State-owned Land" [No. QGY (2007) No. 100009], the holder of the land use right of the subject property is Quanzhou Great Garments Co.,Ltd

III. Description and Analysis of the Positional Condition of Subject Property

The subject property is located in Jiangnan Industrial Park, Licheng District, Quanzhou City. According to the "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (revised 2011)" QZ No. 21 [2013 Rev.], the land parcel of the subject property belongs to Grade II land for industry use in Quanzhou central urban area. Refer to the attachment for the specified position. The analysis of the regional factors of the subject property is as follows:

1. Industrial clustering degree: Surrounding the subject property is an industrial park that has a good degree of industrial clustering, and nearby are Tianyu Chemical Fiber Weaving Industry Company, Licheng Jiangnan Torque Industrial Zone, etc.

2. Traffic condition: The subject property is near Taixi Street. The traffic access is convenient.

3. Completion degree of public supporting facilities: Surrounding the region are mostly industrial buildings, land for industrial use, farm land, and public supporting facilities remain uncompleted.

4. Environment and landscape : As surrounding the subject property are all industrial plant buildings, there is certain degree of noise pollution; however, the water environment is good, and has no visible evident of pollution; the surrounding greenary is average. According to the site survey of the area where the subject property of the appraisal is located and the above analysis, the environmental and landscaping conditions of the area involved are average.

IX. Analysis of Market Background:

1. Geographic location

Quanzhou City is a costal city in Southeast Fujian and faces Taiwan across the Strait. It administers four districts, namely, Li Cheng, Fengze, Luojiang and Quangang, three cities, namely Jinjiang, Shishi and Nan' an, four counties, namely Hui' an, Anxi, Yongchun and Dehua and Qingmeng Development Zone, and has an area of 11,015 square kilomeers and a population of more than 7.6 million people. With deep cultural deposits, rich human and tourism resources, a long opening history,

and a strong market atmosphere of winning through struggling, Quanzhou is a hot place for property investments. Quanzhou is Fujian' s economic center and one of its top third largest cities, and has ranked the first in terms of economic aggregate in Fujian for consecutive 13 years. Meanwhile, Quanzhou is also one of the cities with the highest economic aggregate among the 20 cities of strait west side urban cluster. Also, the Quanzhou bay city cluster is one of the top three largest central city clusters in the western Taiwan straits economic zone.

2. Industrial development situation

According to the " Statistics Bulletin of Quanzhou 2013 National Economic and Social Development" recently released by the Quanzhou Municipal Statistics Bureau, Quanzhou achieved a total industrial value added of 28.9255 billion yuan in 2013, up 12.6 percent from the previous year, and its industrial contribution rate to the economic growth reached 62.6 percent. In 2013, Quanzhou achieved a total industrial output of 105.899 billion yuan, and the total above-designated size industrial output was 93.7876 billion yuan, up 13.5 percent and 13.9 percent year on year, respectively. The above-designated size industry had a sales output of 90.8486 billion yuan, up 10.6 percent year on year, including export delivery value of 16.2077 billion yuan, up 18.0 percent. There were 1,891 above-100 million yuan enterprises, 187 more than the previous year, including 117 above-one billion yuan enterprises, 24 more than the previous year.

In 2013, Quanzhou above-designated size industrial benefit index reached 242.85, and the growth of above-designated size industrial total profit was higher than the provincial level while the enterprise loss was the lowest in the province, with the enterprise benefits turning better slightly. However, due to such factors as, rising costs and actual PPI decline instead of rise, the enterprise profit space being compressed, as well as delayed innovations in technology, product, brand and commercial models, all this led to more difficulties in enterprise operation and increased pressure in market exploitation. In 2014, it is believed that Quzhou' s integral economic development will hold to a healthy development trend, the construction of new projects will have a good progression, the driving

of investment on GDP will still be noteworthy, and contributions by the industrial economic sector will still account for a large proportion to the integral economy. However, with the weakening of marketing demand and the decline of international staple commodity prices, the demand on industrial real estate will be reduced to a certain extent and tend to be moderate.

V. Analysis of Highest and Best Use

The current usage of the subject property conforms to the urban planning, and in terms of its economic geographic position in the city and the constraints of land resource optimization deployment and planning, also conforms to the legal requirements. From the point of view of long term development, we hold that it is most favorable for the subject property to continue to be used as it is currently.

VI. Selection of Appraisal Method:

(I) Solution for the price of right to land use:

According to the "Code for Urban Land Appraisal" (hereinafter referred to as the Code), the universal appraisal methods include market comparison approach, income capitalization approach, residual method, cost approximation method, benchmark land price-based correction method, etc. The appraisal method should be selected according to the technical code of land price, and in light of the local real estate market development and the specific characteristics and appraisal purpose of the subject property. As the subject property is land for industry use, the benchmark land price-based correction method can be selected.

Benchmark land price-based correction method:

Basic principal: It is a land evaluation method that takes the government-published benchmark land price for the land class of the subject property as the basis, and modifies the influencing factors through the analysis of regional factors and individual factors so as to find the land price of the involved land parcel. Its calculation formula is:

Land parcel price= benchmark land price x $(1+\Sigma K)$ × modified land use years x modified land price date x modified land development degree

(II) Solution of building price

As the subject property is a self-built buildings, it is hard to find a comparative local transaction cases, and therefore, the cost method is adopted in the appraisal. Cost method is an appraisal method that is based on the sum of all necessary costs required by developing or constructing the real estate or similar real estate of the subject property, and then adds normal profits and payable taxes and fees to find the real estate price of the subject property. Its calculation formula is as follows:

Building replacement cost=project construction and installation cost + early period and professional expenses+ supporting expense+ management expense + investment interests+ profits+ taxes and fees

Building price= replacement cost x building area x newness rate

(III) Solution of the real estate value of the subject property

Real estate value of the subject property = price of land use right + building price

VI. Appraisal Calculation Process:

(I) Estimation of the price of land use right

1. Determination of benchmark land price (P_a) of the subject property

The land use right of the subject property is of transferred land type for the purpose of industry. According to the "Announcement of Quanzhou People' s Government on Implementing the Central Urban Land Grading and Benchmark Land Price in Quanzhou (2011 Rev.)" QZ No. 21 [2013], the land parcel of the subject property belongs to Grade II land for industry use in Quanzhou urban area, and its benchmark land price is 600 yuan/m2 (converted to 326,700 yuan/mu). The connotation of this benchmark land price is: The benchmark land price for industrial land is the average ground mature land price of the industrial homogenous zone on Jan. 1, 2011 under the conditions of land development degree of "five connections and one leveling" average plot ratio of industrial land of 1.0 and land use period for industrial purpose of 50 years.

2. Correction coefficient (K) for the factors influencing the price of the land parcel of the subject property:

Table 1 Description of Influencing Factors for Land Used for Factory, Minc and Warchousing

Influencing Factor	Influencing factor	Excellent	Good	average	Inferior	bad
Traffic Conditi on	Traffic facility to the outside	Distance to an entrance of expressway or railway station ≤1km	Distance to an entrance of expressway or railway station ≤3km	Distance to an entrance of expressway or railway station ≤5km	Distance to an entrance of expressway or railway station ≤8km	Distance to an entrance of expressway or railway station >8km
	Traffic Convenie nce	There are several trunk roads and secondary trunk roads in the surrounding area, making traffic very convenient	There is a trunk road in the surrounding area, making traffic rather convenient.	There are several secondary trunk roads in the surrounding area, making traffic basically satisfying the access requirement	There are only branch roads, making traffic not convenient.	There are no roads above branch artery level, making traffic inconvenient.
	Street-a side roads	near to traffic type trunk roads	Near to traffic type secondary trunk roads or mixed type trunk roads	Near to traffic type secondary trunk roads or other type secondary trunk roads	Near to branch arteries or branch roads.	Near to lanes or not near to street
Basic Facilit ies	Infrastr ucture guarante e degree	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is ≥98%.	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is 96%~95%	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is 90%~95%.	The guarantee rate of infrastructur e for water supply, electricity supply, water drainage, etc. is 80%~ 90%.	The guarantee rate of infrastructure for water supply, electricity supply, water drainage, etc. is≤80%
Environ ment Quality	Environm ent Advantag es and disadvan tages	Basically no pollution, and a surrounding large park or leisure square	Light air or noise pollution, and a surrounding large park or leisure square	Air or noise pollution to a certain degree, and a surrounding small and medium park or green land	Relatively serious air, noise or water pollution	Serious air, noise or water pollution
Industr y	Industri al clusteri ng degree	Located in an industrial zone with a remarkable internal clustering size	Located in an industrial zone with an average internal clustering size	Located in an industrial zone, where there is no obvious inside clustering but an outside clustering size	Located in an industrial zone where there is a certain surrounding clustering size	Located outside an industrial zone and no clustering size
Individ ual Factor	Ground bearing capacity	A good ground bearing capacity that can fully satisfy the engineering requirement	A fair ground bearing capacity that can satisfy the engineering requirement	An average ground bearing capacity that has basically no negative impact on engineering	An inferior ground bearing capacity that may have certain impact on engineering	A poor ground bearing capacity that is basically unable to satisfy the engineering requirement

	Shape of land parcel	Rectangular shape	Approximate rectangular shape	Irregular shape that has no impact on land use	Irregular shape that may have certain impact on land use	Very irregular shape that will have a great impact on land use
	Topography	Very good	Good	average	Influential	Seriously influential
	Plot ratio	Plot ratio≥2.0	1.2≤ plot ratio<2	1.0≤ plot ratio< 1.2	0.8≤ plot ratio<1.0	Plot ratio<0.8

Table 2 Correction Coefficients for Land Used for Factory, Mine and Warehousing

(Grade II)

Influencing factor	Influencing factor	Excellent	Good	average	Inferior	bad
Traffic condition	Traffic facility to the outside	3.02	1.51	0	-1.51	-3.02
	Traffic convenience	1.01	0.51	0	-0.51	-1.01
	street-aside roads	1.01	0.51	0	-0.51	-1.01
Infrastructure	Infrastructure guarantee degree	3.6	1.8	0	-1.8	-3.6
Environment quality	Environment advantages and disadvantages	1.44	0.72	0	-0.72	-1.44
Industry	Industry	3.6	1.8	0	-1.8	-3.6
Individual factor	Ground bearing capacity	0.86	0.43	0	-0.43	-0.86
	Shape of land parcel	0.86	0.43	0	-0.43	-0.86
	Topography	1.3	0.65	0	-0.65	-1.3
	Plot ratio	1.3	0.65	0	-0.65	-1.3

Table 3 Corrective Coefficients of Regional and Individual Factors of Land Parcel

Factor	Factor	Advantages and Disadvantages	Correction coefficient (%)
Traffic conditions	Traffic facility to the outside	average	0
	Traffic convenience	average	0
	street-aside roads	average	0
Infrastructure perfectness	Infrastructure guarantee degree	average	0
Environment quality	Environment advantages and disadvantages	average	0
Industry	Industry	Good	1.8
Individual factor	Ground bearing capacity	Excellent	0.86
	Shape of land parcel	average	0
	Topography	Excellent	1.3
	Plot ratio	average	0
In total			3.96

Correction coefficient of regional and individual factors of the subject

propertyK= (1+3.96%) =1.0396.

3. Correction coefficient T for appraisal date:

The benchmark land price of this appraisal corresponded to the base date of Jan. 1, 2011, 5.04 years prior to the time point of this appraisal. The investigation and analysis indicate that the price for the land for industrial use in the area where the subject property is located has risen greatly in recent years. According to the analysis based on our data, during the period, the industrial land price has had an average year on year growth of about 2.00 percent, then:

Correction coefficient for appraisal date= $(1+2.00\%)^{5.04}$=1.1050.

4. Correction coefficient F for development degree:

The five connections and one leveling (road connection, water supply connection, drainage connection, electricity connection, communication connection and land leveling) in Quzhou central urban planned area are defined for the benchmark land price. The actual development degree of the land parcel under appraisal has reached internal and external five connections and one leveling, and therefore, the development degree needs no correction, and F=0yuan/ m^2.

5. Correction coefficient Y for land use years:

According to the "Certificate for the Use of State-owned Land" provided by the client, the subject property belongs to transferred land for industry, whose transfer expiration date is December 15, 2055, with the remaining use life being 39.95 years at the time point (Jan. 14, 2016) of this appraisal. For m, the highest legal use life of 50 years is taken, the land reduction rate r is determined by summation, the riskless rate takes 1.5% which was the one year deposit interest rate released by People's Bank of China on the appraisal base date, the risk adjust

value is 4.5%, and therefore, the land reduction rate is 6%.

$Y_1=[1-1/(1+6\%)^{39.95}] \div [1-1/(1+6\%)^{50}]=0.9180$

6. Determination of the unit price of the land parcel of the subject property

Land parcel price= benchmark land price x $(1+\Sigma K)$ × modified land use years x modified land price date x modified land development degree

$=600\times1.0396\times0.9180\times1.1050+0.0\approx633$ yuan /㎡

7. Calculation of the price of the use right of the land parcel of the subject property :

Total price of land use right for land parcels =633×5295.10=3351798 yuan, rounded up to 3.352 million yuan.

(II) Calculation of the building appraisal price:

1. Construction and installation engineering costs

According to the data about the subject property provided by the client, based on the site survey and analysis of the subject property, and by making reference to the "Fujian Construction Engineering Consumption Quota" (2005), "Fujian Building Decoration Engineering Consumption Quota" (2005), "Fujian Municipal Engineering Consumption Quota" (2005), "Fujian Construction Engineering Integrated Unit Price Table" (2005), "Fujian Building Decoration Engineering Integrated Unit Price Table" (2005), "Fujian Municipal Engineering Integrated Unit Price Table" (2005), "Fujian Integrated Unit Price Table of National Unified Installation Budget Quota" (2002), and the corresponding price indexes and price differences of three materials, we carried out the calculation, compared the construction price standards for the same quality type buildings at the appraisal time point, and considered the differences of individual factors of the buildings of the subject property, such as foundation, span, storey height

and plane layout, and the specific values taken are shown in the table below:

Name of Project:	Building structure	Toto storeys of building	Building area (m^2)	Unit price of construction and installation (yuan/m^2)
Factory building 2	Reinforced concrete	Six storeys in all	3521.69	700
Factory building 1	Reinforced concrete	Six storeys in all	6910.84	700

2. Early period and professional expenses

The early period and professional expenses include expenses for consultation, feasibility study, planning and survey & design, which are generally set to be a certain ratio to the house construction and installation engineering cost. Considering the price level at the appraisal time point, the early period and professional expense are determined to be 5% of the construction and installation engineering cost.

3. Supporting expense

The supporting expense includes the construction cost of enclosing wall, roads, water supply & drainage, greening and other supporting facilities. In light of the actual condition of the subject property of this appraisal, the supporting expense is determined to be 5% of the construction and installation engineering cost.

4. Management expense

The management expense refers to the cost incurred during the house development and organization management. It is generally taken as 5% of the sum of (1), (2) and (3).

5. Investment interest

In light of the conditions of the subject property, it is assumed that its construction period is one year, and the annual interest rate takes 4.35%, which

is the current one year loan rate of national bank. The early period and professional expenses are one-time input at the beginning of the construction period while the construction and installation cost, supporting expense and management expense are regarded as uniform investments during the construction period.

6. Investment profit

The profit rate of cost of the same type real estate development in this area is generally 10% -15%. In light of the overall condition of the buildings on the subject property of this appraisal, its profit rate of cost is taken as 15% in the appraisal.

7. Sales taxes and fees

As the subject property is self-built and self-used factory buildings, sales taxes and fees are excluded in this appraisal.

8. The newness rate is determined by useful life method and site observation method:

a. Useful life method the building depreciation is based on the relation between building service life and elapsed years or remaining life, calculation formula: Newness rate=remaining useful years/(remaining useful years + Elapsed years) x100%

According to the "Code of Real Estate Appraisal", the economically useful life of the production plant buildings of reinforced concrete structure is 50 years, and they have been used for 16 years, with the remaining use life being 34 years; the land expiration date is December 15, 2055, with the remaining use life being 39.95 years. According to the principle "taking which is shorter", the land remaining use life of the subject property is taken; and the integrated newness rate is determined by simple arithmetic average method. Refer to the table below

for detail.

Name	Building Struct	Completion Time	Economically useful	Elapsed Time (year)	Remaining useful life	Newness rate by life depreciation method	Newness rate by site	Integrated newness
Factory building 2	Reinforced concrete	2000	50	16	34	34/ (16+34) =68%	69%	69%
Factory building 2	Reinforced concrete	2000	50	16	34	34/ (16+34) =68%	69%	69%

9. The building value of the subject property is calculated as shown in the table below:

Name of Project:	Building area (m^2)	Unit price of construction and installation (yuan/m^2)	Early period and professional expenses (yuan/m^2)	Supporting expense (yuan/m^2)	Management expense (yuan/m^2)	Investment interest (yuan/m^2)	Investment profit (yuan/m^2)	Unit price of replacement (yuan/m^2)	Newness rate	Market unit price (yuan/m^2)	Evaluated value, round to thousand digit place (yuan)
Factory building 2	3521.69	700	35.0	35.0	38.5	17.4	123.9	950	69%	655	2307000
Factory building 1	6910.84	700	35.0	35.0	38.5	17.4	123.9	950	69%	655	4527000
In total	10432.53	–									6834000

(III) Determination of the real estate market value of the subject property

Real estate market value of the subject property =appraised value of the land use right of the subject property + appraised value of the building of the subject property

=335.2+683.4=10.186 million yuan.

(In words: RMB ten million one hundred and eight-six thousand only)

VII. Determination of Appraisal Result

According to the appraisal principles and the appraisal purpose "to provide the market price reference for the subject property to the client for assets

accounting", by adopting the benchmark land price-base correction method and cost method, in light of the current real estate market condition, we have carried out analysis and estimation of the subject property and concluded that the real estate market value of the subject property at the appraisal time point (Jan. 14, 206) that satisfies the assumptions and constrains of this appraisal is RMB ten million one hundred and eight-six thousand only (¥10,186,000), where, The market value of the land parcel is 3.352 million yuan at a unit price of 633 yuan/㎡ (converted to 422,000 yuan/mu); factory building 1 has a market value of 2.307 million yuan at a unit price of 655 yuan/㎡; factory building 2 has a market value of 4.527 million yuan at a unit price of 655 yuan/㎡.

Attachments

1. Geographic location diagram of the subject property;

2. Relevant photos of the subject property;

3. House ownership certificates [No. Quzhou House Certificate Licheng District (Li) No. 200510995] (copy);

4. Certificates for the use of state-owned land [No. QGY (2007) No. 100009] (copy);

5. Corporate legal person business license of the real estate appraising institution (copy);

6. Quality certificate of the real estate appraising institution (copy);

7. Registration certificates of certified real estate appraisers (copy)

Geographic location diagram of the subject property



Note: The location of the subject property is marked with "★".

Photos of the subject property (I)



Exterior of buildings



Interior of buildings



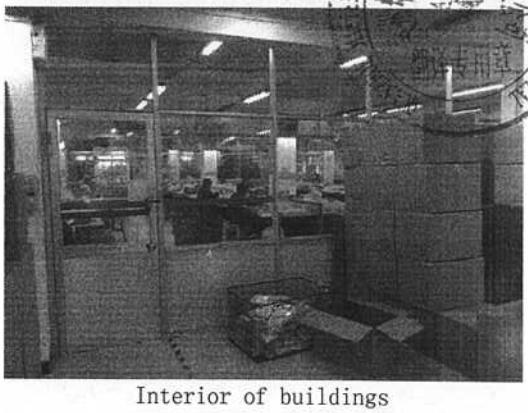
Interior of buildings



Interior of buildings

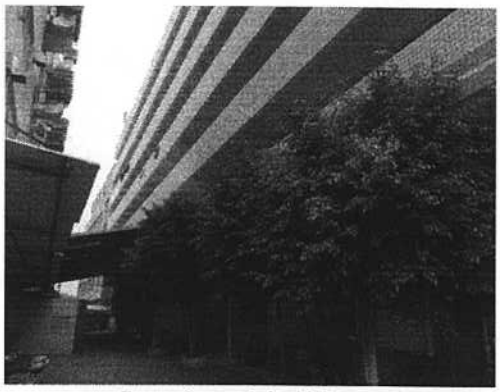


Interior of buildings



Interior of buildings

Photos of the subject property (II)



Exterior of buildings



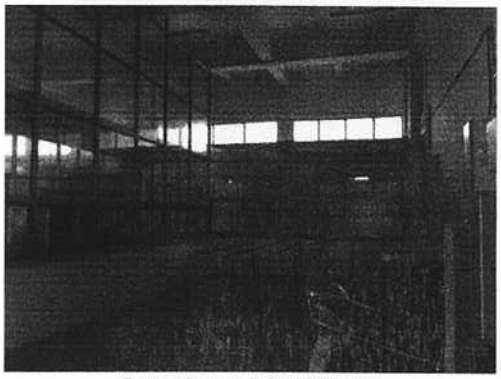
Interior of buildings



Interior of buildings



Interior of buildings



Interior of buildings



Surrounding environment

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NOTICE OF EXTRAORDINARY GENERAL MEETING

FORISE INTERNATIONAL LIMITED

(Company Registration No.: 200804077W)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of **Forise International Limited** (the "**Company**") will be held at 4 Shenton Way, SGX Centre 2 #17-01, Singapore 068807 on 18 August 2016 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the Circular dated 3 August 2016 to the shareholders of the Company.

ORDINARY RESOLUTION

THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE INTEREST IN THE EQUITY AND SHARE CAPITAL OF THE SALE ENTITIES

That:

(a) approval be and is hereby given for the proposed disposal by the Company of its entire interest in the equity and share capital of the Sale Entities to Weng Wenwei (the "**Purchaser**") on the terms and subject to the conditions of the sale and purchase agreement entered into between the Company and the Purchaser on 6 April 2016 (the "**Agreement**"), as well as any other transactions contemplated under the Agreement; and

(b) the Directors of the Company and/or any of them be and are hereby authorized to complete and do all such acts and things (including without limitation, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
Singapore

Date: 3 August 2016

Notes:

(1) (a) A member of the Company who is entitled to attend and vote at the Extraordinary General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the Extraordinary General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

(2) The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting in order for the proxy to be entitled to attend and vote at the Extraordinary General Meeting.

(3) A member of the Company, which is a corporation, is entitled to appoint its authorized representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(4) PERSONAL DATA PRIVACY By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

FORISE INTERNATIONAL LIMITED

(Company Registration No. 200804077W)
(Incorporated in the Republic of Singapore)

IMPORTANT

1 For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.

2 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a *member/members of **FORISE INTERNATIONAL LIMITED** (the "**Company**") hereby appoint:

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

*and/or

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Extraordinary General Meeting of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at 4 Shenton Way, SGX Centre 2 #17-01, Singapore 068807 on 18 August 2016 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Extraordinary General Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the Extraordinary General Meeting shall be decided by way of poll.

* Please delete accordingly

(Please indicate your vote "For" or "Against" with a "X" within the box provided. Otherwise please indicate the number of votes)

No.	Resolutions relating to:	For	Against
1.	**Ordinary Resolution** The Proposed Disposal of the Company's Entire Interest in the Equity and Share Capital of the Sale Entities		

All capitalised terms used in this Proxy Form which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company's Circular to Shareholders dated 3 August 2016 (including supplements and modifications thereto).

Dated this _____ day of _____ 2016.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

_____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

Notes:

1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2 (a) A member of the Company who is entitled to attend and vote at the Extraordinary General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the Extraordinary General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

3 The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the meeting.

4 Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5 The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7 A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the meeting and to vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for the meeting.

9 Terms and expressions not defined herein shall have the same meanings ascribed to them in the Circular.

10 PERSONAL DATA PRIVACY: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, Listing Rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.