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21 May 2007

The Board of Directors
Winsor Properties Holdings Limited
2nd Floor, East Ocean Centre
98 Granville Road
Tsim Sha Tsui East, Kowloon
Hong Kong

Dear Sirs

RE: PORTFOLIO ASSET VALUATION FOR WINSOR PROPERTIES HOLDINGS LIMITED

Instructions and Date of Valuation

In accordance with the instructions from Winsor Properties Holdings Limited (the “Company”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we deem necessary to provide our opinion as to the market values of the property interests held or leased by the Company and/or its subsidiaries/associated companies (hereinafter collectively referred to as the “Group”), as at 31 March 2007 (“the date of valuation”).

The property portfolio comprises a total of 7 property interests, 5 located in Hong Kong and 2 in The People’s Republic of China (the “PRC”).

Basis of Valuation and Assumptions

Our valuation report has been prepared in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors (“HKIS”), the requirements as set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and The Codes on Takeovers and Mergers and Share Repurchases published by Securities and Futures Commission.

Our valuation is made on the basis of the Market Value adopted by the HKIS as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

The definition of market value has been applied to each property interest independently. The valuations have been made on the assumption that the owner sells the properties individually on the market without the benefit of deferred-terms contracts, leaseback, joint venture agreements or any similar arrangements which could serve to affect the values of the properties.

Unless otherwise stated, we have valued the property interests on the assumption that they are freely disposable and transferable for its existing uses to purchasers whether as a whole or on a strata-title basis without payment of any premium to the relevant authorities.

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

Methods of Valuation

For property interests in Groups I and III, we have valued the property interests on the basis of market value by the direct comparison approach and income capitalization approach of valuation. For the property interest in Group II, we have valued the property interest on the basis of market value by the direct comparison approach and residual approach of valuation.

The property interest in Group IV, which is rented by the Group in the PRC, has no commercial value mainly due to the short term nature of the tenancy, prohibition against assignment or subletting and/or the lack of substantial profit rent.

The direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transferred its legal ownership. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Income capitalization approach involves the capitalization of the existing and reversionary net rental income potential. The prevailing market rent for the property interest has been derived through our review and analysis of the recent lettings within the property interest together with comparable lettings concluded within comparable premises.

The residual approach involves firstly the assessment of Gross Development Value (“GDV”) which is the capital value of the proposed development, as if completed, as at the date of valuation. The GDV of the residual approach is assessed by reference with the Direct Comparison Approach. The estimated costs of development, which include construction costs (outstanding), professional fees, finance costs on construction, marketing costs of the completed development, are then deducted from the GDV. Allowance would then be made for developer’s profit, acquisition costs for land and finance costs on land. The resultant figure is the residual land value. This method is subject to a number of hypothetical assumptions. A slight change in one or more of the assumptions would have a significant impact on the conclusion reached.

Source of Information

We have relied to a considerable extent on the information provided by the Group and we have no reason to doubt the truth and accuracy of the information provided to us. The Group also advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that material information has been withheld.

The Group has provided us with copies of extracts of documents relating to the title of the properties. We have also conducted Land Registry searches for the property interests in Hong Kong. We have not examined the original documents to verify ownership or to ascertain the existence of any amendments that may not appear on the copies obtained by us. For the property interests in The PRC, we have relied on the information provided by the Group and its legal advisor, 廣東深天正律師事務所 (Guangdong Shenzhen Balance Law Firm) (“PRC Legal Advisor”), regarding the title to the property interests.

We have accepted advice given to us on such matters as tenure, easement, planning approvals, proposed scheme and estimated development cost of the development project, particulars of occupancy, tenancies, site areas, floor areas and all other material information supplied by the Group. All documents and leases have been used for reference only and all dimensions, measurements and areas are deemed approximate. No on-site measurements have been taken. We have not seen original planning, development schemes and occupation consents for the properties and have assumed that they have been erected and are being occupied and used in accordance with such consents and that there are no outstanding statutory notices.

Property Inspection and Site Investigation

We have inspected the exterior and where possible, the interior of the properties. We have not conducted site and structural surveys and, as such, we cannot report that the properties are free from rot, infestation or any other structural defects. We have not carried out building surveys, nor have we inspected those parts of the properties, which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts. No tests have been carried out to any of the services within each property interest.

We were not instructed to arrange for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the properties, or has since been incorporated, and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of the valuations, we have assumed that such investigations would not disclose the presence of any such material to any significant extent.

We were not instructed to carry out investigations on site to determine the suitability of the ground conditions and the services etc for any future development. Our valuations are prepared on the assumptions that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Plants and Machinery

Our valuations normally include all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' industrial or commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded.

Potential Tax Liability

There are potential tax liability which would arise on the disposal of each property interest in the respective locations, including but not limited to business tax, land appreciation tax, capital gains tax and any other relevant taxes prevailing at the time in the respective jurisdiction. The basis and definition of market value do not allow for any taxation that may be incurred in effecting sales and therefore we have not considered such tax liability in the valuations.

Currency Exchange

The property interests in the PRC have been valued in Renminbi (“RMB”) and such valuations have been translated into Hong Kong Dollars at the rate of exchange prevailing on the date of valuation at RMB0.99 to HK\$1. There is no significant fluctuation in that exchange rate between the date of valuation and the date of this letter.

Report

A summary of our valuations and the valuation certificates are attached hereto.

Yours faithfully

For and on behalf of

Jones Lang LaSalle Limited



WONG Sing Ming, Rita

Regional Director

Registered Professional Surveyor

(General Practice Division)

BBus, MHKIS, AAPI, RPS (GP)



AU Kin Keung, Alkan

Associate Director

Registered Professional Surveyor

(General Practice Division)

BA, MHKIS, MRICS, RPS (GP)

Notes:

Ms Wong is a Registered Professional Surveyor and a Regional Director with the Valuation Advisory Services Department of Jones Lang LaSalle Limited. She has about 14 years of valuation and advisory experience in various key markets in the North Asia region.

Mr Au is a Registered Professional Surveyor and an Associate Director with the Valuation Advisory Services Department of Jones Lang LaSalle Limited. He has about 13 years and 4 years of valuation and advisory experience in Hong Kong and in the PRC respectively.

Group I – Properties held as investments in Hong Kong

SUMMARY OF VALUATIONS

Property	Market Value as at 31 March 2007 (HK\$)	Interest attributable to the Group	Capital Value attributable to the Group as at 31 March 2007 (HK\$)
1. Various Portions of Regent Centre, 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong	825,500,000	95.5%	788,333,444
2. Winner Godown Building, 503-515 Castle Peak Road Tsuen Wan Section and 1-9 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong	396,000,000	100%	396,000,000
3. Lucky Industrial Building, 18-24 Kwai Hei Street and 13-19 Kwai Lok Street, Kwai Chung, New Territories, Hong Kong	200,000,000	100%	200,000,000

Property	Market Value as at 31 March 2007 (HK\$)	Interest attributable to the Group	Capital Value attributable to the Group as at 31 March 2007 (HK\$)
4. Shop A on Ground Floor, The Whole Basement and One Toilet on Ground Floor, Minden House, Nos.13-15 Minden Avenue and No.3 Blenheim Avenue, Tsim Sha Tsui, Kowloon, Hong Kong	20,000,000	33.33%	6,666,000
Sub-total:	<u>1,441,500,000</u>		<u>1,390,999,444</u>

Group II – Property held under development in Hong Kong

Property	Market Value as at 31 March 2007 (HK\$)	Interest attributable to the Group	Capital Value attributable to the Group as at 31 March 2007 (HK\$)
5. Landmark East, 102 How Ming Street, Kwun Tong, Kowloon, Hong Kong	3,235,000,000	100%	3,235,000,000

Group III – Property held as investments in the PRC

Property	Market Value as at 31 March 2007 (HK\$)	Interest attributable to the Group	Capital Value attributable to the Group as at 31 March 2007 (HK\$)
6. Flats 402 and 403 of Block A, Huagaoshan Mansion, Gongyuan Road and Gongye 7th Road, Shekou Industrial Zone, Shenzhen, The PRC	1,550,000	95%	1,472,500

Group IV – Property rented by the Group in the PRC

Property	Market Value as at 31 March 2007 (HK\$)	Interest attributable to the Group	Capital Value attributable to the Group as at 31 March 2007 (HK\$)
7. Lot No.SKS102-8, No.3 Nan Gang Road, Shekou Industrial Zone, Nanshan District, Shenzhen City, The PRC	No Commercial Value	95%	No Commercial Value
Sub-total:	3,236,550,000		3,236,472,500
Grand Total:	4,678,050,000		4,627,471,944

Group I – Properties held as investments in Hong Kong

VALUATION CERTIFICATE

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2007 (HK\$)
<p>1. Various Portions of Regent Centre, 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong</p> <p>Aggregate of 48,682/71,750 equal and undivided shares of and in the Remaining Portion of Lot No. 299 in Demarcation District No.444</p>	<p>Regent Centre is an industrial complex comprising two industrial blocks. Tower A comprises 23 storeys and Tower B comprises 22 storeys, erected on top of a 3-storey podium completed in 1996.</p> <p>The car park podium comprises 1 container, 50 lorry and 50 private car parking spaces, whilst the upper floors provide industrial workshops and ancillary offices. Unit G01 on Ground Floor of Tower A can be used for “non-residential” purposes</p> <p>The subject property comprises various portions of Regent Centre (<i>see details in Note 1 below</i>) and has a total gross floor area of approximately 658,413 ft² (61,168.06 m²).</p> <p>Lot No. 299 in Demarcation District No. 444 is held from the Government under New Grant No. 4260 for a term of 99 years less the last 3 days from 1 July 1898. The lease has been extended until 30 June 2047 by virtue of Section 6 of the New Territories Leases (Extension) Ordinance. The current government rent payable is an amount equal to 3% of the prevailing rateable value of the property.</p>	<p>Approximately 91.3% of the workshop areas were let to various tenants (including the pre-committed lease) as at the date of valuation. The remaining 8.7% of the workshop comprising a gross floor area of approximately 57,035ft² (5,298.68m²) was vacant as at the date of valuation.</p> <p>The majority of the lease terms are for 2 years with the latest term expiring on 10 October 2011.</p> <p>The aggregate monthly passing rental excluding carpark licence fee as at the date of valuation was about HK\$3.9 million, exclusive of government rates, government rent and management fees.</p> <p>Car parking spaces are licensed on monthly and hourly basis. The averaged monthly carpark income for the period from April 2006 to February 2007, was about HK\$531,000, inclusive of government rates, government rent and management fees.</p>	<p>825,500,000</p> <p>(95.5% interest attributable to the Group: 788,333,444)</p>

Notes:

- (1) The property comprises the whole of Regent Centre except Unit G02 on Ground Floor, all units on 1st, 2nd, 3rd and 6th Floors, Units 1001 to 1010 and 1013 to 1020 on 10th Floor, Units 1201 to 1203, 1205 to 1210, 1211 to 1213, 1215 to 1217 on 12th Floor, all units on 13th Floor, Units 1511 and 1512 on 15th Floor, all units on 16th Floor, Units 1707 to 1710, 1713, 1715, 1716 and 1720 on 17th Floor, Units 1817 to 1819 on 18th Floor, Units 2105 to 2109 on 21st Floor, Units 2503 and 2505 on 25th Floor and 26th Floor of Tower A together with Unit LG02 on Lower Ground Floor and all units on 6th, 8th, 9th, 11th, 12th and 15th Floors of Tower B which have been sold.
- (2) As per our random searches at the Land Registry in respect of the property and as confirmed by the Group, the registered owners of the property are either Chericourt Company Limited (95.24% owned subsidiary of the Group) or Winsor Parking Limited (a wholly owned subsidiary of the Group) save and except Unit G01 on Ground Floor of Tower A, registered under Winsor Properties Financial Services Limited (95.24% owned subsidiary of the Group).
- (3) According to the No Objection Letter dated 21 March 2007 issued by The Hong Kong Special Administrative Region by the District Lands Office/Tsuen Wan and Kwai Tsing registered vide Memorial No.07032802020015, Unit G01 on Ground Floor of Tower A may be used for non-residential purposes (excluding hotel, petrol filling station and residential care home) for the lifetime of the existing building.
- (4) As per our random searches at the Land Registry in respect of the property and as confirmed by the Group, certain portions in both Towers A and B of the property have been mortgaged to Liu Chong Hing Bank Limited by Mortgage dated 28 January 2000 vide Memorial No.TW1333609; the Bank of Tokyo – Mitsubishi Limited by Mortgage dated 27 March 1997 vide Memorial No.TW1129536, and CITIC Ka Wah Bank Limited by Mortgage and Rent Assignment both dated 30 Nov 2001 vide Memorial Nos.TW1444139 and TW1444140 respectively.
- (5) The potential tax liability which would arise on the disposal of the property interest in Hong Kong shall include but not limited to profits tax (17.5%). However, the Group advised that there is no immediate plan nor intention to dispose the property interest in the near future.

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2007 (HK\$)
2. Winner Godown Building, 503-515 Castle Peak Road-Tsuen Wan Section and 1-9 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong The Remaining Portion of Tsun Wan Inland Lot No.28 (the "Lot")	<p>The property comprises a 20-storey (including a mezzanine floor) godown building completed in 1988.</p> <p>A portion of the ground floor provides 1 container parking space, 25 lorry and 25 private car parking spaces together with loading/unloading areas. The mezzanine floor and part of the first floor provide ancillary offices whilst the remaining portion of the ground floor and upper levels provide godown space.</p> <p>The property has a total gross floor area of approximately 497,140ft² (46,185.43m²).</p> <p>The registered site area of the property is approximately 50,804ft² (4,719.81m²).</p> <p>The Lot is held from the Government under a Government Lease for a term of 75 years from 1 July 1898, renewed for a further term of 24 years less the last 3 days. The lease has been extended until 30 June 2047 by virtue of Section 6 of the New Territories Leases (Extension) Ordinance. The current government rent payable for the property is an amount equal to 3% of the prevailing rateable value.</p>	<p>The property was fully let as at the date of valuation.</p> <p>The majority of the lease terms are for 2 years with the latest tenancy expiring on 31 March 2009.</p> <p>The aggregate monthly passing rental excluding carpark licence fee as at the date of valuation was about HK\$2.15 million, exclusive of government rates, government rent and management fees.</p> <p>Car parking spaces are licensed on monthly and hourly basis. The average monthly carpark licence fee is approximately HK\$168,000, inclusive of government rates, government rent and management fees, for the period from April 2006 to February 2007.</p>	<p>396,000,000</p> <p>(100% interest attributable to the Group: 396,000,000)</p>

Notes:

- (1) The registered owners of the property are Zofka Properties Limited (1/2 share) and Baudinet Investment Limited (1/2 share), wholly owned subsidiaries of the Group.
- (2) According to our recent Land Registry search, the following encumbrances and instruments are registered against the property:
 - Mortgage to secure general banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited dated 23 December 1996 vide Memorial No.UB6896857.
 - Deed of Variation of Memorial No.UB6896857 and Further Charge to secure general banking facilities dated 2 September 1999 vide Memorial No.UB7882029 in favour of The Hongkong and Shanghai Banking Corporation Limited
- (3) The potential tax liability which would arise on the disposal of the property interest in Hong Kong shall include but not limited to profits tax (17.5%). However, the Group advised that there is no immediate plan nor intention to dispose the property interest in the near future.

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2007 (HK\$)
3. Lucky Industrial Building, 18-24 Kwai Hei Street and 13-19 Kwai Lok Street, Kwai Chung, New Territories, Hong Kong Kwai Chung Town Lot No.342 (the "Lot")	<p>The property comprises a 15-storey industrial building completed in 1979. The exterior of the building had been renovated in recent years.</p> <p>The ground floor provides 1 container parking space, 26 lorry and 3 private car parking spaces together with loading/unloading areas, whilst the upper levels provide godown and workshop space.</p> <p>The property has a total gross floor area of approximately 292,520ft² (27,175.77m²).</p> <p>The registered site area of the property is approximately 30,713ft² (2,853.31m²).</p> <p>The Lot is held from the Government under New Grant No. 5451 for a term of 99 years less the last 3 days from 1 July 1898. The lease has been extended until 30 June 2047 by virtue of Section 6 of the New Territories Leases (Extension) Ordinance. The current government rent payable for the property is an amount equal to 3% of the prevailing rateable value.</p>	<p>Approximately 96.7% of the godown and workshop space was let to various tenants as at the date of valuation. The remaining 3.3% of the godown and workshop space comprising a gross floor area of about 9,647ft² (896.23m²) was vacant as at the date of valuation.</p> <p>The majority of the lease terms are from 2 to 3 years with the latest tenancy expiring on 31 December 2008.</p> <p>The aggregate monthly passing income excluding carpark licence fee as at the date of valuation was about HK\$1.03 million, exclusive of government rates, government rent and management fees.</p> <p>Car parking spaces are licensed on monthly and hourly basis. The average monthly carpark licence fee is approximately HK\$47,000, inclusive of government rates, government rent and management fees, for the period from April 2006 to February 2007.</p>	<p>200,000,000</p> <p>(100% interest attributable to the Group: 200,000,000)</p>

Notes:

- (1) The registered owner of the property is Libro Estates Limited, a wholly owned subsidiary of the Group.
- (2) According to our recent Land Registry search, the following encumbrances and instruments have been registered against the property:
 - Mortgage to secure general banking facilities dated 23 December 1996 vide Memorial No.TW1107607 in favour of The Hongkong and Shanghai Banking Corporation Limited.
 - Deed of Variation and Further Charge dated 2 September 1999 vide Memorial No.TW1308272 in favour of The Hongkong and Shanghai Banking Corporation Limited.
 - Tenancy agreement (Re: Unit B on 13/F) from 1 January 2006 to 31 December 2008 dated 26 January 2006 vide Memorial No.06020400310135 in favour of Tai Zeus International Limited.
- (3) The potential tax liability which would arise on the disposal of the property interest in Hong Kong shall include but not limited to profits tax (17.5%). However, the Group advised that there is no immediate plan nor intention to dispose the property interest in the near future.

Property		Description, age and tenure		Particulars of occupancy	Market Value as at 31 March 2007 (HK\$)
4.	Shop A on Ground Floor, The Whole Basement and One Toilet on Ground Floor, Minden House, Nos.13-15 Minden Avenue and No.3 Blenheim Avenue, Tsim Sha Tsui, Kowloon, Hong Kong An aggregate of 100/600 equal and undivided shares of and in Kowloon Lot Nos. 8074 and 10213 (the “Lots”)	The property comprises a shop and a toilet on G/F and the entire basement of Minden House, which is a 17-storey commercial building completed in 1977. Basement and Ground Floor of the building are used for retail purposes whereas the upper floors are designated for office use. Vertical movement within the building is facilitated by 2 passenger lifts and 2 staircases. The total saleable area of the property is about 2,680ft ² (248.98m ²). The saleable area breakdown is as follows:		The property was leased to a single tenant at the date of valuation. As per the tenancy agreement provided by the Group, the property is leased to Charm Ocean Development Limited for a term of 3 years from 1 March 2007 at a monthly rent of HK\$100,000, exclusive of government rates and management fees. There is an option to renew for one further term of 2 years from 1 March 2010 to the end of 2012.	20,000,000 (33.33% interest attributable to the Group: 6,666,000)
			(ft ²)	(m ²)	
		Shop A	525	48.77	
		Toilet	24	2.23	
		Basement	2,131	197.98	
		The Lots are held from the Government under Conditions of Re-Grant No.10306 for a term of 150 years from 27 March 1899. The current government rent payable for the Lots is HK\$258 per annum.			

Notes:

- (1) The registered owner of the property is Javary Limited, an associated company in which 33.33% interest is attributable to the Group.
- (2) There are no major encumbrances registered against the property.
- (3) The potential tax liability which would arise on the disposal of the property interest in Hong Kong shall include but not limited to profits tax (17.5%). However, the Group advised that there is no immediate plan nor intention to dispose the property interest in the near future.

Group II – Property under development in Hong Kong

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2007 (HK\$)
5. Landmark East, 102 How Ming Street, Kwun Tong, Kowloon, Hong Kong Section A and The Remaining Portion of Kwun Tong Inland Lot No.242 (the “Lots”)	<p>The property comprises a development site with a registered site area of approximately 95,940ft² (8,913.04m²).</p> <p>Upon completion, the Development would provide two high-rise office towers (40 and 42-storey respectively) plus a 2-level carpark basement. The proposed development would provide a total gross floor area (“GFA”) of about 1,202,623ft² (111,726.443m²), 458 private car parking spaces and 47 heavy goods vehicle parking spaces together with 25 motorcycle parking spaces. see notes 3 and 4</p> <p>The Lots are held from the Government under a Government Lease for a term of 21 years from 1 July 1961, renewed for a further term of 15 years, less the last 3 days. The lease has been extended until 30 June 2047. The current government rent payable is an amount equal to 3% of the prevailing rateable value of the property.</p>	The property is currently under construction. As advised by the Group, the proposed development is scheduled for completion in June 2008.	3,235,000,000 (100% interest attributable to the Group: 3,235,000,000)

Notes:

- (1) The registered owner of the property is Begin Land Limited, a wholly owned subsidiary of the Group.
- (2) According to our recent Land Registry search, the following encumbrances and instruments are registered against the property:
 - Deed of Variation of Crown Lease dated 13 August 1981 vide Memorial No.UB2126635.
 - Modification Letter dated 1 December 1993 vide Memorial No.UB5872234
 - Modification Letter dated 9 October 1997 vide Memorial No.UB7306661.
 - Modification Letter dated 17 September 2002 vide Memorial No.UB8782122.
- (3) According to the Modification Letter dated 17 September 2002 vide Memorial No.UB8782122 (“the Modification Letter”), the Lot or any part thereof or any building or part of any building erected or to be erected thereon shall not be used for any purpose other than for office (excluding retailing and showroom) purposes; and upon development or redevelopment of the Lot or any part thereof the maximum total gross floor area of any building or buildings erected or to be erected thereon shall not exceed 106,957m². The owner has duly completed the required modification procedures including the settlement of the modification premium.
- (4) We have been provided with a set of building plans for the proposed office development dated 22 December 2006 which was approved by the Building Authority on 18 January 2007. The proposed development would comprise two office towers plus a car park basement with a total gross floor area of approximately 111,726.443m², which is exceed the area as stipulated in the Modification Letter. We understand that a premium assessment by the Government with respect to the GFA addition of 4,769.443m² is currently underway. For the purpose of this valuation and as instructed by the Group, we have valued the property in accordance with the GFA stipulated in the Modification Letter i.e. 106,957m² (1,151,285ft²).
- (5) As advised by the Group, the estimated outstanding construction cost including the professional fees as at the date of valuation was approximately HK\$1,463,000,000 for the entire proposed development scheme with a total GFA of 111,726.443m². A pro-rated construction costs for 106,957m² have been adopted in the course of assessment.
- (6) The key parameters adopted in the residual valuation are as follows:

Estimated capital value of the proposed development assuming completed as at the date of valuation	:	HK\$5,942,000,000
Estimated outstanding construction costs including professional fees, finance costs, legal costs, stamp duty, marketing costs, developer’s profit and risk margin, etc.	:	HK\$2,707,000,000
- (7) The potential tax liability which would arise on the disposal of the property interest in Hong Kong shall include but not limited to profits tax (17.5%). However, the Group advised that there is no immediate plan nor intention to dispose the property interest in the near future.

Group III – Property held as investments in the PRC

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2007 (HK\$)
6. Flats 402 and 403 of Block A, Huaguoshan Mansion, Gongyuen Road and Gongye 7th Road, Shekou, Shenzhen City, The PRC	<p>The property comprises two residential units on Level 4 of a 25-storey (including basement) residential building completed in 1993.</p> <p>The property has a total gross floor area of approximately 220.4m² (2,372ft²).</p> <p>The land use rights of the property is for a term of 50 years from 13 August 1993.</p>	<p>Flat 402 of Block A with a gross floor area of about 109.3m² is leased to an individual third party for a term of one year from 1 August 2006 at a monthly rent of RMB2,500, exclusive of management fee and other outgoings.</p> <p>Flat 403 of Block A with a gross floor area of about 111.1m² is leased to an individual third party for a term of one year from 1 February 2006 at a monthly rent of RMB2,500, exclusive of management fee and other outgoings.</p>	<p>1,550,000</p> <p>(95% interest attributable to the Group: 1,472,500)</p>

Notes:

- (1) According to the Realty Title Certificates 深房地字第6002861號 and 深房地字第6002862號 both dated 29 March 1996, the property is held by 華南冷藏制冰(深圳)有限公司 (South China Cold Storage & Ice Co., Ltd), an associated company in which 95% interest is attributable to the Group.
- (2) We have in the course of the valuation accepted and taken into account the following legal opinion provided by the Group's PRC Legal Advisor:
 - (a) 華南冷藏制冰(深圳)有限公司 (South China Cold Storage & Ice Co., Ltd) has good and marketable title to the property.
 - (b) 華南冷藏制冰(深圳)有限公司 (South China Cold Storage & Ice Co., Ltd) is entitled to freely transfer the property to both local and overseas purchasers.
- (3) According to the opinion from the PRC Legal Advisor, the potential tax liability which would arise on the disposal of the property interest in the PRC shall include but not limited to deed tax (1.5%) and stamp duty (0.05%). However, the Group advised that there is no immediate plan nor intention to dispose the property interest in the near future.
- (4) The property has been valued in Renminbi and the valuation has been translated into Hong Kong Dollars at the rate of exchange prevailing on the date of valuation at RMB0.99 to HK\$1.

Group IV – Property rented by the Group in the PRC

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2007 (HK\$)
7. Lot No.SKS102-8, No.3 Nan Gang Road, Shekou Industrial Zone, Nanshan District, Shenzhen City, The PRC	<p>The property comprises a roughly trapezium-shaped site of about 20,040.88m² (215,720ft²). It is bounded by Nan Gang Road in its north-west and neighbouring lots currently occupied by the Shekou Container Terminal.</p> <p>Building improvements erected upon the property include a 9-storey industrial building for cold storage with ancillary office uses (“Building A”) and a single storey warehouse (“Building B”) (hereinafter collectively known as the “Complex”). Buildings A and B were completed in 1992 and 2005 respectively.</p> <p>As per the Realty Title Certificate dated 30 March 1998, the approximate gross floor area of Building A is 35,792.2m² (385,267ft²). As advised by the Group, Building B has a gross floor area of about 1,201.2m² (12,930ft²).</p>	<p>The property comprising a land parcel, is leased by 華南冷藏制冰(深圳)有限公司 (South China Cold Storage & Ice Co., Ltd), an associated company to the Group, for storage purpose.</p> <p>According to the latest Supplemental Lease Agreement No.2004 D142-1 dated 11 August 2004, the lease is for a term of 25 years from 1 May 1990 to 30 April 2015. The prevailing rent for the property is at RMB1,563,188 per annum, for the period from 1 January 2006 to 31 December 2006, payable on half-yearly in advance basis.</p> <p>As advised by the Group, the rent payable for the term from 1 January 2007 to 31 December 2009 is still under negotiation</p> <p>The majority portion of the property is currently occupied by 華南冷藏制冰(深圳)有限公司 (South China Cold Storage & Ice Co., Ltd).</p> <p>As advised by the Group, portion of the land parcel of the property with a site area of about 8,550m² (92,032ft²) is currently sub-leased to an individual third party for storage use for a term of 5 years from 1 October 2003 at a monthly rent of RMB72,675.</p> <p>Portion of the 9/F of Building A with a gross floor area of about 500m² (5,382ft²) is currently leased to an individual third party for a term of 5 years from 24 February 2005 at a monthly rent of RMB11,500.</p>	No commercial value

Notes:

- (1) According to 土地使用協議書 (“Land Use Rights Lease Agreement”) dated 23 February 1990 (modified with 4 Supplemental Lease Agreements dated 5 March 1990, 8 October 1991, 7 March 1995 and 11 August 2004 respectively) between 招商局蛇口工業區房地產公司 (China Merchants Shekou Industrial Zone Real Estate Co., Ltd.) (Party A) and 華南冷藏制冰 (深圳) 有限公司 (South China Cold Storage & Ice Co., Ltd) (Party B), Party A agreed to lease the property to Party B for a term of 25 years expiring on 30 April 2015 with an option to renew for a further term of 5 years or more. Party B is an associated company in which 95% interest is attributable to the Group.
- (2) According to the Realty Title Certificate 深房地字第6018644號 dated 30 March 1998 (the “Certificate”), Building A with a total gross floor area of about 35,792.2m² is held by 華南冷藏制冰 (深圳) 有限公司 (South China Cold Storage & Ice Co., Ltd). However, the Certificate also stated that disposal of the building is prohibited. Mortgage or lease of the building is permitted subject to the compliance of relevant rules and regulations.
- (3) According to the Business Licence of 華南冷藏制冰 (深圳) 有限公司 (South China Cold Storage & Ice Co., Ltd), the company can be operated from 12 January 1990 to 12 January 2040.
- (4) We have in the course of the valuation accepted and taken into account the following legal opinion provided by the Group’s PRC Legal Advisor:
 - (a) 華南冷藏制冰 (深圳) 有限公司 (South China Cold Storage & Ice Co., Ltd) is a wholly foreign-owned enterprise duly formed and validly existed under the PRC Law.
 - (b) 招商局蛇口工業區房地產公司 (China Merchants Shekou Industrial Zone Real Estate Co., Ltd.) leased the property with a site area of about 20,040.88m² (215,720ft²) to 華南冷藏制冰 (深圳) 有限公司 (South China Cold Storage & Ice Co., Ltd) for storage purposes for a term of 25 years. The Land Use Rights Lease Agreement and the 4 Supplemental Lease Agreements would be legally valid, binding and enforceable after the completion of registration in the local land administration bureau.
 - (c) The building use rights of Building A is vested to 華南冷藏制冰 (深圳) 有限公司 (South China Cold Storage & Ice Co., Ltd). The land use rights of the property is vested to 招商局蛇口工業區房地產公司 (China Merchants Shekou Industrial Zone Real Estate Co., Ltd.) according to the PRC Law.
 - (d) Building B is a temporary building structure.
- (5) With regard to the legal advice and the fact that the property is non-transferable and lack of substantial profit rent under the Land Use Rights Lease Agreement and relevant supplemental Lease Agreements, we have assigned a nil commercial value for the property.