



B.I. Appraisals Limited **保柏國際評估有限公司**

Registered Professional Surveyors, Valuers & Property Consultants

Valuation Report
of
Peng Chau Lot No. 1, Peng Chau and
various lots in Demarcation District
Nos. 6, 310, 311 and 326
Lantau Island
New Territories
Hong Kong

Prepared
for
Winsor Properties Holdings Limited

Ref: BI/WS/RT/100478/R

21 May 2007



B.I. Appraisals Limited 保柏國際評估有限公司

Registered Professional Surveyors, Valuers & Property Consultants

Our Ref: BI/WS/RT/100478/R

21 May 2007

The Directors
Winsor Properties Holdings Limited
2nd Floor, East Ocean Centre
No. 98 Granville Road
Tsimshatsui East
Kowloon

Dear Sirs,

Re: Peng Chau Lot No. 1, Peng Chau and various lots in Demarcation District Nos. 6, 310, 311 and 326, Lantau Island, New Territories, Hong Kong

In accordance with the instructions from Winsor Properties Holdings Limited (hereinafter referred to as the "Company") for us to value the property interests in the captioned properties in which the Company and/or its subsidiaries (hereinafter together referred to as the "Group") have interests, we confirm that we have made relevant requires and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 31 March 2007 (hereinafter referred to as the "Date of Valuation"). It is our understanding that this valuation document is to be used for public disclosure purpose.

This letter, forming part of our valuation report, identifies the properties being valued, explains the basis and methodology of our valuations, and lists out the assumptions and the title investigation we have made in the course of our valuations, as well as the limiting conditions.

BASIS OF VALUATION

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

We have valued the property interests on the basis that each of them is considered individually. We have not allowed for any discount for the property interests to be sold to a single party nor taken into account any effect on the values if the property interests are to be offered for sale at the same time as a portfolio.

In valuing the property interests, the Government Lease of which have expired prior to 30 June 1997, we have taken into account the provisions of the New Territories Leases (Extension) Ordinance 1988 that such leases have been extended without payment of premium until 30 June 2047, and that a rent equivalent to three per cent. of the rateable value is charged per annum from the date of extension.

Our valuations have been carried out in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION METHODOLOGY

In arriving at our opinion of values of the property interests which are held for investment, we have adopted the Direct Comparison Approach assuming sale of each of the property interests in its existing state with the benefit of immediate vacant possession and by making reference to comparable transactions or offerings as available in the relevant market.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the property interests are sold on the open market in their existing states without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which might serve to affect the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or effecting sales of the properties and no forced sale situation in any manner is assumed in our valuations.

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

We have carried out external inspections of the properties only and are not able to confirm their state of occupancy. In the course of our valuations, we have assumed that the properties are vacant and may be utilized for the use permitted under the relevant Government Leases.

We have based our assessment of the properties on the registered site areas stated in the relevant Block Government Leases, which are only approximations. For the purpose of our valuations, we have assumed that the site areas shown on the relevant Government Leases and/or other documents made available to us are correct.

In the course of our valuations, we have relied on the relevant lot index plans, demarcation and survey sheets to identify the location of the properties. As no land survey has been carried out, we are not able to delineate the exact boundaries of the properties. However, we have assumed that the properties are under the custody of the registered owner of each of the properties and are without being encroached upon by owners of the adjacent parcels of land.

POTENTIAL TAX LIABILITIES

In the course of our valuations, we have not taken into account any potential tax liabilities that would arise on the disposal of each of the properties. We have been advised by the Group that there is no immediate plan nor intention to dispose any or all of the properties in the near future. However, should the properties be disposed of, the potential tax liabilities may include but is not limited to profit tax. Yet, unless and until the properties are disposed of, the amount of such potential tax liabilities would not be crystallized.

TITLE INVESTIGATION

We have caused land searches to be made at the relevant District Land Registry. However, we have not scrutinized the original documents to ascertain ownership or to verify any amendments that may not be appear on the copies handed to us. All documents have been used for reference only.

LIMITING CONDITIONS

We have carried out external inspections of the properties and are not able to confirm their state of occupancy. No structural survey has been made. We are, therefore, not able to report that the buildings, if any, erected on the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the utilities services provided in the properties.

We have not carried out any land survey and site measurements to verify the site areas of the properties. Dimensions, measurements and areas included in the valuation certificates are based on information contained in copies of documents provided to us and are therefore approximations only.

Moreover, we have not carried out any site investigations to determine or otherwise the suitability of the ground conditions, the presence or otherwise of contamination and the provision of/or suitability for services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during any construction period.

We have relied to a considerable extent on the information provided by the Group, particularly in respect of planning approvals or statutory notices, easements, tenure, particulars of occupancy, site areas and all other relevant matters in the identification of the properties.

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

REMARKS

The registered site areas of the properties are either stated in acre(s) or square feet (sq.ft.). In the course of our valuations, we have adopted conversion factors of 1 acre = 43,560 sq.ft. and 1 square metre (sq.m.) = 10.764 sq.ft.

Unless otherwise stated, all monetary amounts stated in our valuation certificates are in Hong Kong Dollars (HK\$).

We hereby confirm that we have neither present nor prospective interests in the Group, the properties or the values reported herein.

Our Summary of Values and Valuation Certificates are attached hereto.

Yours faithfully,
For and on behalf of

B.I. APPRAISALS LIMITED



William C. K. Sham
Registered Professional Surveyor (G.P.)
China Real Estate Appraiser
MRICS, MHKIS, MCIREA
Executive Director

Note: Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has 25 years' experience in the valuation of properties in Hong Kong and has over 10 years' experience in the valuation of properties in the People's Republic of China and the Asia Pacific regions.

SUMMARY OF VALUES

Property	Market value in existing state as at 31 March 2007
1. Peng Chau Lot No. 1, Peng Chau, New Territories, Hong Kong	HK\$3,300,000.00
2. Lot Nos. 385, 390, 397, 399, 404, 406, 407, 408, 411, 412, 414, 418, 420, 423, 425, 427, 433, 434, 436, 438, 440, 441, 442, 444, 447, 448, 450, 451, 453, 454, 461, 463, 464, 465, 466, 467, 468, 470, 471, 472, 478, 486, 492, 493, 501, 503, 509, 511, 516, 521, 532, 534, 535, 542, 545, 551, 555, 557, 570, 571, 572, 583, 588, 589, 592, 595, 596, 603, 614, 618, 619 and 620 in Demarcation District No. 6, Tung Chung, Lantau Island, New Territories, Hong Kong	HK\$3,100,000.00
3. Lot Nos. 20, 25, 26, 27, 30, 33, 35, 36, 37, 39, 43, 54, 58, 64, 67 R.P., 69, 71, 76, 90, 91, 92, 93, 94, 95, 97, 98, 111, 112, 120, 122, 129, 130, 132, 135, 138, 139, 140, 141, 142, 143, 144, 150, 152, 156, 161, [163], 164, 167, 171, 172, 175, 178, 181, 220, 222, 225, 242, 245, 328 and 361 in Demarcation District No. 310, Lantau Island, New Territories, Hong Kong	HK\$1,480,000.00
4. Lot Nos. 406, 410, 411 R.P., 415, 416, 417, 418, 419, 420, 424, 425, 426 R.P., 427 R.P., 429 R.P., 463, 465 and 466 in Demarcation District No. 311, Lantau Island, New Territories, Hong Kong	HK\$740,000.00
5. Lot Nos. 891, 905, 906, 908, 914, 920, 925, 1094, 1097, 1102 and 1141 in Demarcation District No. 326, Lantau Island, New Territories, Hong Kong	HK\$180,000.00
Total:	<u>HK\$8,800,000.00</u>

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2007
1. Peng Chua Lot No. 1, Peng Chau, New Territories, Hong Kong	<p>The property comprises a plot of agricultural lot located in an area known as Tai Lung Tsuen on the northern part of Peng Chau.</p> <p>The subject lot falls within an area zoned for "Green Belt" use under the Approved Peng Chau Outline Zoning Plan No. S/I-PC/8 gazetted on 15 December 2006.</p> <p>The registered site area of the property is approximately 151,153 sq.ft. (14,042.46 sq.m.).</p> <p>The property is held under a Block Government Lease for a term of 75 years from 1 July 1898, renewable for a further term of 24 years less the last 3 days. The said lease term has been statutorily extended until 30 June 2047.</p> <p>The ground rent for the property is \$3.47 per annum.</p>	<p>The property is covered by fruit trees and vegetation, except that a number of temporary structures and two single-storey houses were found erected at the northeastern part of the property.</p>	<p>\$3,300,000.00</p> <p>(100% interest attributable to the Group: \$3,300,000.00)</p>

Notes:

- 1) The registered owner of the property is Adam Knitters Limited, an indirect wholly owned subsidiary of the Company.
- 2) Pursuant to the Schedule of Uses for Approved Peng Chau Outline Zoning Plan No. S/I-PC/8, agricultural use is always permitted in the "Green Belt" zone.
- 3) The potential tax liabilities that would arise on the disposal of the property shall include but is not limited to profit tax (17.5%).

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2007
2. Lot Nos. 385, 390, 397, 399, 404, 406, 407, 408, 411, 412, 414, 418, 420, 423, 425, 427, 433, 434, 436, 438, 440, 441, 442, 444, 447, 448, 450, 451, 453, 454, 461, 463, 464, 465, 466, 467, 468, 470, 471, 472, 478, 486, 492, 493, 501, 503, 509, 511, 516, 521, 532, 534, 535, 542, 545, 551, 555, 557, 570, 571, 572, 583, 588, 589, 592, 595, 596, 603, 614, 618, 619 and 620 in Demarcation District No. 6, Tung Chung, Lantau Island, New Territories, Hong Kong	<p>The property comprises 72 plots of agricultural lot scattered in an area known as San Tau, which is close to Tung Chung Bay on Lantau Island.</p> <p>The total registered site area of the property is approximately 119,354 sq.ft. (11,088.26 sq.m.).</p> <p>The property is held under a Block Government Lease for a term of 75 years from 1 July 1898, renewable for a further term of 24 years less the last 3 days. The said lease term has been statutorily extended until 30 June 2047.</p> <p>The total ground rent for the property is \$3.29 per annum.</p>	<p>The property is covered by vegetation.</p>	<p>\$3,100,000.00</p> <p>(100% interest attributable to the Group: \$3,100,000.00)</p>

Notes:

- 1) The registered owner of the property is Adam Knitters Limited, an indirect wholly owned subsidiary of the Company.
- 2) The property is currently not covered by any Outline Zoning Plan prepared and published by the Town Planning Board.
- 3) The potential tax liabilities that would arise on the disposal of the property shall include but is not limited to profit tax (17.5%).

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2007
3. Lot Nos. 20, 25, 26, 27, 30, 33, 35, 36, 37, 39, 43, 54, 58, 64, 67 R.P., 69, 71, 76, 90, 91, 92, 93, 94, 95, 97, 98, 111, 112, 120, 122, 129, 130, 132, 135, 138, 139, 140, 141, 142, 143, 144, 150, 152, 156, 161, 163, 164, 167, 171, 172, 175, 178, 181, 220, 222, 225, 242, 245, 328 and 361 in Demarcation District No. 310, Lantau Island, New Territories, Hong Kong	<p>The property comprises 60 plots of agricultural lot scattered in an area known as Upper Keung Shan on Lantau Island.</p> <p>The total registered site area of the property is approximately 170,514 sq.ft. (15,841.14 sq.m.).</p> <p>Lot Nos. 328 and 361 are held under New Grant Nos. 2803 and 3277 respectively and the remaining lots are held under a Block Government Lease. All the lots are held for a term of 75 years from 1 July 1898, renewable for a further term of 24 years less the last 3 days. The said lease term has been statutorily extended until 30 June 2047.</p> <p>The total ground rent for the property is about \$10.14 per annum.</p>	<p>The property is covered by fruit trees and vegetation, except that a few 1 to 2-storey houses and temporary structures were built on portion of Lot No. 111 and Lot No. 328.</p>	<p>\$1,480,000.00</p> <p>(100% interest attributable to the Group: \$1,480,000.00)</p>

Notes:

- 1) The registered owner of the property is Adam Knitters Limited, an indirect wholly owned subsidiary of the Company.
- 2) The property is currently not covered by any Outline Zoning Plan prepared and published by the Town Planning Board.
- 3) The potential tax liabilities that would arise on the disposal of the property shall include but is not limited to profit tax (17.5%).

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2007
4. Lot Nos. 406, 410, 411 R.P., 415, 416, 417, 418, 419, 420, 424, 425, 426 R.P., 427 R.P., 429 R.P., 463, 465 and 466 in Demarcation District No. 311, Lantau Island, New Territories, Hong Kong	<p>The property comprises 17 plots of agricultural lot scattered in an area known as Lower Keung Shan on Lantau Island.</p> <p>The total registered site area of the property is approximately 86,078 sq.ft. (7,996.84 sq.m.).</p> <p>The property is held under a Block Government Lease for a term of 75 years from 1 July 1898, renewable for a further term of 24 years less the last 3 days. The said lease term has been statutorily extended until 30 June 2047.</p> <p>The total ground rent for the property is about \$ 48.87 per annum.</p>	<p>The property is covered by vegetation.</p>	<p>\$740,000.00</p> <p>(100% interest attributable to the Group: \$740,000.00)</p>

Notes:

- 1) The registered owner of the property is Adam Knitters Limited, an indirect wholly owned subsidiary of the Company.
- 2) The property is currently not covered by any Outline Zoning Plan prepared and published by the Town Planning Board.
- 3) The potential tax liabilities that would arise on the disposal of the property shall include but is not limited to profit tax (17.5%).

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2007
5. Lot Nos. 891, 905, 906, 908, 914, 920, 925, 1094, 1097, 1102 and 1141 in Demarcation District No. 326, Lantau Island, New Territories, Hong Kong	<p>The property comprises 11 plots of agricultural lot scattered in an area known as Shui Hau on Lantau Island.</p> <p>The subject lots falls within an area zoned for "Country Park" use under the Approved South Lantau Coast Outline Zoning Plan No. S/SLC/14 gazetted on 18 February 2005.</p> <p>The total registered site area of the property is approximately 13,068 sq.ft. (1,214.05 sq.m.).</p> <p>The property is held under a Block Government Lease for a term of 75 years from 1 July 1898, renewable for a further term of 24 years less the last 3 days. The said lease term has been statutorily extended until 30 June 2047.</p> <p>The total ground rent for the property is \$0.30 per annum.</p>	<p>The property is covered by vegetation.</p>	<p>\$180,000.00</p> <p>(100% interest attributable to the Group: \$180,000.00)</p>

Notes:

- 1) The registered owner of the property is Adam Knitters Limited, an indirect wholly owned subsidiary of the Company.
- 2) Pursuant to the Schedule of Uses for Approved South Lantau Coast Outline Zoning Plan No. S/SLC/14, all uses and developments in the "Country Park" zone require consent from the Country and Marine Parks Authority and approval from the Town Planning Board is not required.
- 3) The potential tax liabilities that would arise on the disposal of the property shall include but is not limited to profit tax (17.5%).