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The Directors
USI Holdings Limited
25th Floor
Unimix Industrial Centre
2 Ng Fong Street
San Po Kong
Kwloon
Hong Kong

21 May 2007

Dear Sirs

**RE: VALUATION OF VARIOUS PROPERTY INTERESTS IN HONG
KONG, THE PEOPLE'S REPUBLIC OF CHINA ("THE PRC") AND
CAMBODIA**

In accordance with your instructions for us to value various property interests, as shown in the attached summary of values, held by USI Holdings Limited (referred to as the "Company") and its subsidiaries, jointly controlled entities and associated companies (hereinafter together referred to as the "Group") located in Hong Kong, the PRC and Cambodia, we confirm that we have carried out inspections, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of these property interests as at 31 March 2007 for public circular purposes.

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

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property interest is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuation is prepared in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 and Practice Note 12 of Listing Rules published by the Stock Exchange of Hong Kong Limited.

In undertaking our valuation for the properties situated in the PRC, we have assumed that, unless otherwise stated, transferable land use rights in respect of the properties for respective specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the property interests have enforceable titles to the property interests and have free and uninterrupted rights to use, occupy or the assign the property interests for the whole of the terms as granted.

In valuing the property interests in Groups I, II, III and VI, which are held by the Group in Hong Kong and the PRC, we have valued the property interests with reference to sales evidence as available on the market and where appropriate on the basis of capitalisation of the net income shown on schedules handed to us. We have allowed for outgoings and in appropriate cases made provision for reversionary income potential.

In valuing the property interest in Group IV, which is held by the Group as a refurbishment project in Hong Kong, we have valued the property interest on the basis that the property will be renovated and completed in accordance with the Group’s latest renovation proposals provided to us. We have assumed that approvals for the proposals have been obtained. In arriving at our opinion of value, we have valued the property by making reference to comparable transactions in the locality and have also taken into account the renovation cost that will be expended to complete the renovation to reflect the quality of the renovated property. The “market value when completed” represents our opinion of the aggregate selling prices of the property assuming that its renovation were completed as at the date of valuation.

In valuing the property interest in Group V, which is held for future development by the Group in Hong Kong, we have valued the property interest by making reference to comparable site transactions as available in the market.

In valuing the properties interests in Group VII, due to the specific purpose for the properties were constructed, there are no readily identifiable market comparables and the buildings and structures of these properties cannot be valued on the basis of direct comparison. They have been valued on the basis of their depreciated replacement cost. We would define “depreciated replacement cost” for these purposes to be our opinion of the land value in its existing use and an estimate of the new replacement costs of the buildings, including fees and finance charges, from which deductions are then made to allow for age, condition and functional obsolescence. The depreciated replacement cost approach generally provides the most reliable indication of value for property in the absence of a known market based on comparable sales.

In respect of the property interests in Group VIII which are rented by the Group in Cambodia under tenancy agreements, we are of the opinion that they have no commercial value due to the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent and/or the short term nature of the property interests.

We have not been provided with any title documents relating to the property interests but we have caused searches to be made at the Land Registry for the property interests in Hong Kong. For the property interests situated in the PRC, we have been given extracts of title document. For the property interests in Cambodia, we have been provided with copies of relevant tenancy agreements. We have not, however, inspected the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies obtained by us. We have relied on the advice given by the Group and its legal advisers on PRC laws, Zhong Lun Law Firm and Guangdong Trust Law Firm, regarding the titles to the property interests in the PRC.

We have relied to a very considerable extent on information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, development proposal, building plans, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by the Group that no material facts have been omitted from the information provided.

We have inspected the exterior of the properties valued and, where possible, we have also inspected the interior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free from rot, infestation or any other structural defect. No tests were carried out on any of the services.

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

According to the information provided by the Company, the potential tax liability which would arise on the disposal of each property interest in the respective locations shall include, but shall be not limited to, profit tax/corporate tax, business tax, land appreciation tax and any other relevant taxes prevailing at the time in the respective countries. Pursuant to the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors, we have not taken into account such possible tax liability.

Unless otherwise stated, all money amounts are stated in Hong Kong dollars. The exchange rate adopted in our valuation is HK\$1 = RMB0.99, which was the approximate exchange rate prevailing as at the valuation date and there has been no significant fluctuation in such exchange rate between that date and the date of this letter.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully

For and on behalf of

Savills Valuation and Professional Services Limited



Charles Chan

MSc FRICS FHKIS MCI Arb RPS (GP)

Managing Director

Note: Mr Charles C K Chan, chartered estate surveyor, MSc, FRICS, FHKIS, MCI Arb, RPS(GP), has been a qualified valuer since June 1987 and has about 22 years experience in the valuation of properties in Hong Kong and has about 17 years' experience in the valuation of the properties in the PRC.

SUMMARY OF VALUES

Property	Capital value in existing state as at 31 March 2007	Interest attributable to the Group	Capital value in existing state as at 31 March 2007 attributable to the Group
Group I – Property interests held by the Group in Hong Kong for investment			
1. Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Kowloon	HK\$310,000,000	100%	HK\$310,000,000
2. Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon	HK\$480,000,000	86.4%	HK\$414,720,000
3. Workspace H on 1st Floor, Wong King Industrial Building, 192-198 Choi Hung Road, 2-4 Tai Yau Street, San Po Kong, Kowloon	HK\$1,200,000	100%	HK\$1,200,000
4. Unit B on 21st Floor, Prince Industrial Building, 706 Prince Edward Road East, San Po Kong, Kowloon	HK\$4,200,000	100%	HK\$4,200,000
5. Lanson Place Hong Kong, 133 Leighton Road, Causeway Bay, Hong Kong	HK\$1,030,000,000	60%	HK\$618,000,000
Subtotal:	HK\$1,825,400,000		HK\$1,348,120,000

Property	Capital value in existing state as at 31 March 2007	Interest attributable to the Group	Capital value in existing state as at 31 March 2007 attributable to the Group
Group II – Property interests held by the Group in Hong Kong for sale			
6. Duplex Flat C on 45th Floor of Tower I, Flat G on 37th Floor of Tower II, 22 Flats in Tower V and 237 Car Parking Spaces in The Waterfront, 1 Austin Road West, Tsim Sha Tsui, Kowloon	HK\$540,000,000	7.5%	HK\$40,500,000
7. 45 Houses and 14 External Car Parking Spaces in The Giverny, Lot No. 1184 in Demarcation District No. 217, Sai Kung, New Territories	HK\$1,667,000,000	50%	HK\$833,500,000
8. 12 Flats, 4 Houses (including the Roofs thereof) and 44 Carparks in The Grandville, 2 Lok Kwai Path, Shatin, New Territories	HK\$235,000,000	40%	HK\$94,000,000
Subtotal:	HK\$2,442,000,000		HK\$968,000,000
Group III – Property interest held by the Group in Hong Kong for self-occupation			
9. Units 3103-3105 on 31st Floor, 9 Queen's Road Central, Hong Kong	HK\$140,000,000	100%	HK\$140,000,000
Subtotal:	HK\$140,000,000		HK\$140,000,000

Property	Capital value in existing state as at 31 March 2007	Interest attributable to the Group	Capital value in existing state as at 31 March 2007 attributable to the Group
Group IV – Property interest held by the Group in Hong Kong as a refurbishment project			
10. 314-324 Hennessy Road, Wan Chai, Hong Kong	HK\$714,000,000	70%	HK\$499,800,000
Subtotal:	HK\$714,000,000		HK\$499,800,000
Group V – Property interest held by the Group in Hong Kong for future development			
11. 157 Argyle Street, Kowloon	HK\$329,000,000	80%	HK\$263,200,000
Subtotal:	HK\$329,000,000		HK\$263,200,000
Group VI – Property interest held by the Group in the PRC for investment			
12. Lanson Place Jinlin Tiandi Residences, 3 Lane 168 Xingye Road, Luwan District, Shanghai, The PRC	HK\$970,000,000	23.4%	HK\$226,980,000
Subtotal:	HK\$970,000,000		HK\$226,980,000
Group VII – Property interests held by the Group in the PRC for self-occupation			
13. An industrial complex held by Ruyuan Baoli Garment Co., Ltd. (乳源寶麗製衣有限公司) situated at Hougongdu Town, Ruyuan County, Shaoguan City, Guangdong Province, The PRC	HK\$13,200,000	70%	HK\$9,240,000

Property	Capital value in existing state as at 31 March 2007	Interest attributable to the Group	Capital value in existing state as at 31 March 2007 attributable to the Group
14. An industrial complex held by Ruyuan Guanli Garment Co., Ltd. (乳源冠麗製衣有限公司) (Lot No. 050100002) situated at Hougongdu Town, Ruyuan County, Shaoguan City, Guangdong Province, The PRC	HK\$19,000,000	86.4%	HK\$16,416,000
15. An industrial complex held by Shaoguan Ruyuan Huanbang Knitting & Garment Co., Ltd. (韶關乳源環邦針織製衣有限公司) situated at Hougongdu Town, Ruyuan County, Shaoguan City, Guangdong Province, The PRC	HK\$2,900,000	78%	HK\$2,262,000
16. An industrial complex held by Xiangjia Co., Ltd. (祥佳有限公司) situated at Macaokeng, Laowei Village, Niushan Management Zone, Fucheng District, Dongguan, Guangdong Province, The PRC	HK\$13,400,000	78%	HK\$10,452,000
17. An industrial complex held by Zhongfu Co., Ltd. (中福有限公司) situated at Macaokeng, Laowei Village, Niushan Management Zone, Fucheng District, Dongguan, Guangdong Province, The PRC	HK\$11,500,000	100%	HK\$11,500,000

Property	Capital value in existing state as at 31 March 2007	Interest attributable to the Group	Capital value in existing state as at 31 March 2007 attributable to the Group
18. An industrial complex held by Dongguan Guanli Fashion Co., Ltd. (東莞冠麗時裝有限公司) situated at Jiuwei Village, Jizhou Management Zone, Shijie Town, Dongguan, Guangdong Province, The PRC	HK\$29,400,000	86.4%	HK\$25,402,000
Subtotal:	HK\$89,400,000		HK\$75,272,000

Group VIII – Property interests rented by the Group in Cambodia for self-occupation

19. Warehouse Land of 1st Warehouse of Kilometer 6, Warehouse Centre located along National Road No. 5, Phnom Penh, Cambodia	No commercial value	86.4%	No commercial value
20. No. 1782, Nation Road No. 5 (Km No. 3), Sangkat Toul Sangke, Khan Russey Keo, Phnom Penh, Cambodia	No commercial value	86.4%	No commercial value
Subtotal:	No commercial value		No commercial value
Grand Total:	HK\$6,509,800,000		HK\$3,521,372,000

VALUATION CERTIFICATE

Group I – Property interests held by the Group in Hong Kong for investment

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
1. Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Kowloon New Kowloon Inland Lot No. 5890	<p>The property comprises a site with a registered site area of approximately 1,696.00 sq m (18,256 sq ft).</p> <p>Currently standing on the site is a 12-storey industrial building (including a Mezzanine Floor and a Basement) completed in about 1986. The Basement and Ground Floor of the building are designated for workshops, carparking spaces and loading and unloading spaces whilst the upper floors are planned for workshops.</p> <p>The total gross floor area of the building is approximately 17,356.65 sq m (186,827 sq ft).</p> <p>The property also comprises 10 private carparking spaces, 9 lorry parking spaces and 1 container parking space on the Basement and Ground Floor of the building.</p> <p>New Kowloon Inland Lot No. 5890 is held under Conditions of Sale No. 11538 for a term expiring on 30 June 2047.</p>	<p>The property is mostly let under various tenancies mostly for terms of two years with the latest expiring in February 2010 at a total monthly rent of approximately HK\$1,210,000 mostly exclusive of rates and management fees.</p> <p>The carparking spaces are let on monthly or hourly basis with an income of approximately HK\$77,000 in March 2007.</p>	<p>HK\$310,000,000</p> <p>(100% interest attributable to the Group HK\$310,000,000)</p>

Notes:

- (1) The registered owner of the property is Grandeur Investments Limited, in which the Company has a 100% attributable interest.
- (2) The property is subject to Tripartite Legal Charge/Mortgage to secure banking facilities and a Rental Assignment both in favour of Standard Chartered Bank.
- (3) The property currently lies within an area zoned "Other Specified Uses" annotated "Business" on Ngau Tau Kok and Kowloon Bay Outline Zoning Plan No. S/K13/25 dated 22 September 2006.
- (4) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
2. Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon	The property comprises a site with a registered site area of approximately 2,357.86 sq m (25,380 sq ft). Currently standing on the site is a 26-storey industrial building (including Lower Ground Floor) completed in about 1978. The Lower Ground Floor of the building is planned as staff canteen whilst the Ground and Second Floors of the building are designated for workshops, carparking spaces and loading and unloading spaces. The 3rd to 25th Floors are planned for workshops. The First Floor is omitted from floor numbering. The total gross floor area of the building is approximately 36,588.81 sq m (393,842 sq ft). The property also comprises 75 private carparking spaces and 8 lorry parking spaces on the Ground and Second Floors of the building.	The property is mostly let under various tenancies mostly for terms of one to two years with the latest expiring in February 2010 at a total monthly rent of approximately HK\$1,530,000 mostly exclusive of rates and management fees. The carparking spaces are let on monthly or hourly basis with an income of approximately HK\$164,000 in March 2007.	HK\$480,000,000 (86.4% interest attributable to the Group HK\$414,720,000)
New Kowloon Inland Lot No. 4899	New Kowloon Inland Lot No. 4899 is held under a Government lease for a term expiring on 30 June 2047.		

Notes:

- (1) The registered owner of the property is Unimix Properties Limited, in which the Company has a 86.4% attributable interest.
- (2) The property is subject to Tripartite Legal Charge/Mortgage to secure banking facilities and a Rental Assignment both in favour of Standard Chartered Bank.
- (3) The property currently lies within an area zoned "Other Specified Uses" annotated "Business" on Tsz Wan Shan, Diamond Hill and San Po Kong Outline Zoning Plan No. S/K11/21 dated 29 September 2006.
- (4) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
3. Workspace H on 1st Floor, Wong King Industrial Building, 192-198 Choi Hung Road, 2-4 Tai Yau Street, San Po Kong, Kowloon	Wong King Industrial Building is a 17-storey industrial building completed in about 1970. The property comprises an industrial unit on the First Floor of the building with a gross floor area of approximately 225.20 sq m (2,424 sq ft).	The property is let under a tenancy for a term of two years from February 2007 at a monthly rent of HK\$10,000 inclusive of rates and management fee.	HK\$1,200,000 (100% interest attributable to the Group HK\$1,200,000)
2/501st shares of and in New Kowloon Inland Lot No. 4448	New Kowloon Inland Lot No. 4448 is held under Conditions of Sale No. 8854 for a term expiring on 30 June 2047.		

Notes:

- (1) The registered owner of the property is Success First Development Limited, in which the Company has a 100% attributable interest.
- (2) The property currently lies within an area zoned "Other Specified Uses" annotated "Business" on Tsz Wan Shan, Diamond Hill and San Po Kong Outline Zoning Plan No. S/K11/21 dated 29 September 2006.
- (3) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
4. Unit B on 21st Floor, Prince Industrial Building, 706 Prince Edward Road East, San Po Kong, Kowloon 21/1,170th shares of and in New Kowloon Inland Lot No. 4793	Prince Industrial Building is a 24-storey industrial building completed in about 1973. The property comprises an industrial unit on the Twenty- first Floor of the building with a gross floor area of approximately 574.41 sq m (6,183 sq ft). New Kowloon Inland Lot No. 4793 is held under a Government lease for a term expiring on 30 June 2047.	The property is let under a tenancy for a term of three years from December 2006 at a monthly rent of HK\$25,000 inclusive of rates and management fee.	HK\$4,200,000 (100% interest attributable to the Group HK\$4,200,000)

Notes:

- (1) The registered owner of the property is Shui Hung Knitting and Garment Factory Limited, in which the Company has a 100% attributable interest.
- (2) The property currently lies within an area zoned "Other Specified Uses" annotated "Business" on Tsz Wan Shan, Diamond Hill and San Po Kong Outline Zoning Plan No. S/K11/21 dated 29 September 2006.
- (3) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
5. Lanson Place Hong Kong, 133 Leighton Road, Causeway Bay, Hong Kong	The property comprises a roughly triangular level site with a registered site area of approximately 687.60 sq m (7,401 sq ft).	The property is currently occupied as a serviced apartment/hotel under the trade name of Lanson Place Hong Kong.	HK\$1,030,000,000 (60% interest attributable to the Group HK\$618,000,000)
Inland Lot No. 8774	<p>Currently standing on the site is a 26 storey office/commercial/ hotel building with the Ground Floor to 25th Floor completed in 1996 and 27th to 28th Floors in 1999.</p> <p>The building was converted into a serviced apartment/hotel building in 2005 accommodating a total of 194 units with a total gross floor area of approximately 10,599.87 sq m (114,097 sq ft).</p> <p>Inland Lot No. 8774 is held under Conditions of Exchange No. 12159 for a term from 2 September 1991 to 30 June 2047.</p>	The total revenue generated from the property for the year ended 2006 was approximately HK\$55 million.	

Notes:

- (1) The registered owner of the property is Fore Prosper Limited, in which the Company has a 60% attributable interest.
- (2) The property is subject to a Debenture in favour of Chong Hing Bank Limited.
- (3) The property currently lies within an area zoned "Commercial/Residential" on Causeway Bay Outline Zoning Plan No. S/H6/14 dated 30 September 2005.
- (4) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Group II – Property interests held by the Group in Hong Kong for sale

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
6. Duplex Flat C on 45th Floor of Tower I, Flat G on 37th Floor of Tower II, 22 Flats in Tower V and 237 Car Parking Spaces. The Waterfront, 1 Austin Road West, Tsim Sha Tsui, Kowloon 46,380/25,901,816th shares of and in Kowloon Inland Lot No. 11080	<p>The Waterfront is a large-scale residential development comprising six residential blocks over a carparking/recreational podium completed in 2000.</p> <p>The property comprises a duplex unit in Tower I, a flat unit in Tower II, 6 flat units and 16 duplex flats in Tower V of the development with a total gross floor area of approximately 4,535.86 sq m (48,824 sq ft).</p> <p>The property also comprises 94 carparks in Basement 1, 34 carparks in Basement 2 and 109 carparks on the 2nd Floor of the development.</p> <p>Kowloon Inland Lot No. 11080 is held under Condition of Grant No. 12397 for a term commencing from 8 July 1996 and expiring on 30 June 2047.</p>	<p>One unit of the property is let under a tenancy for a term of three years from 2 July 2004 at a monthly rent of HK\$61,000 inclusive of rates and management fees.</p> <p>The remainder domestic units of the property is vacant.</p> <p>Various carparks are let under various licences mostly for a term of one year with the latest expiring in December 2007 yielding a total monthly income of approximately HK\$70,600 inclusive of rates and management fees.</p>	<p>HK\$540,000,000</p> <p>(7.5% interest attributable to the Group HK\$40,500,000)</p>

Notes:

- (1) The registered owner of the property is Union Charm Development Limited, in which the Company has a 7.5% attributable interest.
- (2) The property comprises the following units:–

Residential:

Duplex Flat C on 45/F of Tower I, Flat G on 37/F of Tower II, Flat A on 29/F, Flats A and C on 31/F, Flat C on 32/F, Flat C on 33/F, Flat C and Duplex Flat D on 36/F, Duplex Flats A, D, E and F on 38/F, Duplex Flats A, C and D on 40/F, Duplex Flats A, C, D and F on 42/F, Duplex Flats C, D, E and F on 45/F of Tower V of the development.

Carparks:

Car Parking Space Nos. 37-41, 43, 67, 86-87, 96, 104, 122, 132, 134, 162-171, 173-179, 181-217, 217A and 218-242 in Basement 1, Car Parking Space Nos. 84, 87, 91-97, 99-101, 110-112, 139-144, 150-154, 156-158, 161, 165, 217, 239 and 256 in Basement 2 and Car Parking Space Nos. 1-3, 5-6, 8-9, 12, 15, 22-34, 40-41, 51-53, 55-56, 58-61, 53-64, 73-76, 79-88, 90-92, 94, 103-114, 131-138, 140-147, 154-164, 169-170, 172-181, 183, 213, 215, 217 and 260 on the 2nd Floor of the development.

- (3) The property currently lies within an area zoned “Comprehensive Development Area” on South West Kowloon Outline Zoning Plan No. S/K20/18 dated 28 July 2006.
- (4) The Company advised that the property interest at the time of disposal at the amount of its market value as at 31 March 2007 will be subject to profits tax in Hong Kong. The precise tax implication will be subject to formal tax advice, prevailing rules and regulations at the time of disposal. For indicative purpose and based on prevailing rules and information available as at the Latest Practicable Date, the potential tax obligation arising from the disposal of this property interest is estimated to be HK\$30 million (7.5% interest attributable to the Group HK\$2.25 million).

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
7. 45 Houses and 14 External Car Parking Spaces in The Giverny, Lot No. 1184 in Demarcation District No. 217, Sai Kung, New Territories 12,556/24,547th shares of and in Lot No. 1184 in Demarcation District No. 217	The Giverny is a large scaled private residential development comprising 63 townhouses with ancillary carparking/recreational facilities completed in 2005. The property comprises 45 townhouses a total gross house area and ancillary area of approximately 11,098.38 sq m (119,463 sq ft) and 7,760.96 (83,539 sq ft) respectively. The property also comprises 14 open carparks within the development. Lot No. 1184 in Demarcation District No. 217 is held under New Grant No. SK9677 for a term of 50 years from 13 August 2001.	The property is currently vacant.	HK\$1,667,000,000 (50% interest attributable to the Group HK\$833,500,000)

Notes:

- (1) The registered owner of the property is Mancas Investment Limited, in which the company has a 50% attributable interest.
- (2) The property comprises the following units:—

Residential:

House Nos. 1, 2, 5, 7, 10-12, 15-16, 19, 21-23, 25-30, 32-33, 36, 38-39, 61-63, 65-66, 83-91, 93 and 95-100.

Carparks:

External Car Parking Space Nos. C41-45, 56 and 83-90 of the development.

- (3) The property currently lies within an area zoned "Residential (Group C) 1" on Hebe Haven Outline Zoning Plan No. S/SK-HH/6 dated 24 April 2003.
- (4) The Company advised that the property interest at the time of disposal at the amount of its market value as at 31 March 2007 will be subject to profits tax in Hong Kong. The precise tax implication will be subject to formal tax advice, prevailing rules and regulations at the time of disposal. For indicative purpose and based on prevailing rules and information available as at the Latest Practicable Date, the potential tax obligation arising from the disposal of this property interest is estimated to be HK\$216 million (50% interest attributable to the Group HK\$108 million).

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
8. 12 Flats, 4 Houses (including the Roofs thereof) and 44 Carparks in The Grandville, 2 Lok Kwai Path, Shatin, New Territories 32,528/608,703rd shares of and in Sha Tin Town Lot No. 526	<p>The Grandville is a luxury private residential development comprising 5 apartment blocks and 16 houses with ancillary carparking/recreational facilities completed in 2006.</p> <p>The property comprises 12 apartment flats and 4 houses of the development with a total gross area and ancillary roof area of approximately 2,479.10 sq m (26,685 sq ft) and 251.21 (2,704 sq ft) respectively.</p> <p>The property also comprises 44 carparks within the development.</p> <p>Sha Tin Town Lot No. 526 is held under New Grant No. ST13166 for a term of 50 years from 15 April 2002.</p>	The property is currently vacant.	<p>HK\$235,000,000</p> <p>(40% interest attributable to the Group HK\$94,000,000)</p>

Notes:

- (1) The registered owner of the property is Landyork Investment Limited, in which the Company has a 40% attributable interest.
- (2) The property comprises the following units:-

Residential:

Tower A	:	Flat B on 7/F, Flat B on 22/F, Flat B on 23/F and Flat B on 27/F
Tower B	:	Flat A on 26/F and Flats A and B on 29/F
Tower C	:	Flat C on 28/F
Tower D	:	Flat D on 27/F and Flat D on 28/F
Tower E	:	Flat D on 17/F and Flat C on 28/F
House	:	House Nos. 3, 5, 8 and 9

Carparks:

Carpark Nos. 11, 23, 40-43, 121, 210, 214, 218-220, 286-292, 295-296, 364 and 366 on Lower Carpark Level and Carpark Nos. 17, 116, 118-121, 128, 134, 189, 204-205, 209-211, 219-220, and 224-228 on Upper Carpark Level of the development.

- (3) The property currently lies within an area zoned "Residential (Group B)" on Sha Tin Outline Zoning Plan No. S/ST/22 dated 22 September 2006.
- (4) The Company advised that the property interest at the time of disposal at the amount of its market value as at 31 March 2007 will be subject to profits tax in Hong Kong. The precise tax implication will be subject to formal tax advice, prevailing rules and regulations at the time of disposal. For indicative purpose and based on prevailing rules and information available as at the Latest Practicable Date, the potential tax obligation arising from the disposal of this property interest is estimated to be HK\$24 million (40% interest attributable to the Group HK\$9.6 million).

Group III – Property interest held by the Group in Hong Kong for self-occupation

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
9. Units 3103 to 3105 on 31st Floor, 9 Queen's Road Central, Hong Kong 314/23,086th shares of and in Sections A and B, the Remaining Portion of Section C and the Remaining Portion of Marine Lot No. 101, the Remaining Portion of Section A of Marine Lot No. 102, Section C of Marine Lot No. 103 and the Remaining Portion of Inland Lot No. 514	<p>“9 Queen's Road Central” is a 32-storey office tower built over a 7-level (including basement, upper basement and mezzanine floors) commercial/car parking podium completed in 1991.</p> <p>The property comprises three office units on the 31st Floor of the building with a total gross floor area of approximately 903.58 sq m (9,726 sq ft).</p> <p>Marine Lot Nos. 101, 102 and 103 are each held under a Government lease for a term of 999 years from 16 November 1855.</p> <p>Inland Lot No. 514 is held under a Government lease for a term of 999 years from 21 January 1857.</p>	<p>The property is currently owner-occupied.</p>	<p>HK\$140,000,000</p> <p>(100% interest attributable to the Group HK\$140,000,000)</p>

Notes:

- (1) The registered owner of the property is Glory Charm Development Limited, in which the Company has a 100% attributable interest.
- (2) The property is subject to a Mortgage to secure general banking facilities in favour of Bank of China (Hong Kong) Limited.
- (3) The property currently lies within an area zoned “Commercial” on Central District Outline Zoning Plan No. S/H4/12 dated 28 February 2003.
- (4) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Group IV – Property interest held by the Group in Hong Kong as a refurbishment project

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
10. 314-324 Hennessy Road, Wan Chai, Hong Kong	The property comprises a rectangular site with an area of approximately 710.89 sq m (7,652 sq ft).	The property is currently under renovation and is scheduled for completion by the end of 2007.	HK\$714,000,000 (70% interest attributable to the Group)
The Remaining Portion and Section D of Marine Lot No. 122	Currently standing on the site is a 25-storey commercial/office composite building completed in 1978.	The building is planned to be renovated into a commercial/office building with a total gross floor area of approximately 10,663.02 sq m (114,777 sq ft).	HK\$499,800,000)
	Marine Lot No. 122 is held under a Government lease for a term of 999 years from 26 December 1860.		

Notes:

- (1) The registered owner of the property is Winnion Limited, in which the Company has a 70% attributable interest.
- (2) The property currently lies within an area zoned “Commercial/Residential” on Wan Chai Outline Zoning Plan No. S/H5/24 dated 27 October 2006.
- (3) We have been supplied with a set of approved building plans dated 21 December 2006 for the current renovation of the property.
- (4) We have been advised that the total estimated renovation cost (inclusive of professional fees) for the property is approximately HK\$150,000,000 and the total estimated outstanding renovation cost for completing the development as at the date of valuation is around HK\$136,100,000.
- (5) The market value of the property when completed as at the date of valuation is in the sum of HK\$953,000,000 (70% interest attributable to the Group: HK\$667,100,000).
- (6) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Group V – Property interest held by the Group in Hong Kong for future development

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
11. 157 Argyle Street, Kowloon	The property comprise a rectangular site with an area of approximately 1,672.24 sq m (18,000 sq ft).	The property is currently a vacant clear site.	HK\$329,000,000
The Remaining Portion of Kowloon			(80% interest attributable to the Group
Inland Lot No. 4022	Kowloon Inland Lot No. 4022 is held under Conditions of Sale No. 3807 for a term of 75 years from 20 June 1938 renewable for a further term of 75 years.		HK\$263,200,000)

Notes:

- (1) The registered owner of the property is Pangold Development Limited, in which the Company has a 80% attributable interest.
- (2) The property is currently lies within an area zoned "Residential (Group B) on Ma Tau Kok Outline Zoning Plan No. S/K10/18 dated 18 June 2004.
- (3) According to the letter dated 22 January 2007 from the District Lands Office, Kowloon East of the Lands Department offering the basic terms in respect of the proposed lease modification for the property, we set out the salient basic terms which are material to this valuation:–

Basic Terms:–

- | | | |
|----------------------------|---|---|
| (a) Area of the Lot | : | 1,672.3 sq m |
| (b) Premium | : | HK\$414,250,000 |
| (d) User | : | Private residential |
| (e) Building Covenant | : | 54 months from the date of Modification Letter |
| (f) Development Conditions | : | (i) Compliance with Buildings Ordinance
(ii) Compliance with Town Planning Ordinance
(iii) Total GFA shall not be less than 5,017 sq m and shall not exceed 8,361 sq m
(iv) Total site coverage shall not exceed 30% of the area of the lot
(v) Design, disposition and height clause |

(h) Parking requirements

(i) Average size of residential units	No. of residential parking spaces
Less than 40m ²	– one space per 10 residential units or part thereof
40m ² or more than 40m ² but less than 70m ²	– one space per 6 residential units or part thereof
70m ² or more than 70m ² but less than 100m ²	– one space per 2.4 residential units or part thereof
100m ² or more than 100m ² but less than 160m ²	– one space per 1.2 residential units or part thereof
160m ² or above	– 1.5 spaces for every residential unit
(ii) Visitors' parking spaces – at a rate of 5 spaces for every residential block if more than 75 residential units are provided in any block. At least one to be capable of serving the disabled	
(iii) Parking spaces to be reserved for disabled persons – one space for every 200 parking spaces provided at (i) and (ii) above or part thereof if such part exceeds 100 parking spaces (subject to a minimum of one space)	
(iv) Motor cycle parking spaces – at a rate of 10% of the total no. of (i) and (ii) above or part thereof and each space shall occupy an area of 1.0m x 2.4m with a minimum headroom of 2.4m	
(v) Each space for (i), (ii) and (iii) above shall occupy an area of 2.5m x 5.0m with a minimum headroom of 2.4m provided that spaces provided for (iii) above shall be of such dimensions as the Director may approve	
(vi) Flexibility in parking provision – each type of spaces in (i) and (ii) above may be increased or reduced by not more than 5% or 50 nos., whichever is the less	

- (4) We have been advised that 10% of the premium (HK\$41,425,000) as described in Note 3(b) above has been paid to the Government.
- (5) We have valued the property as a development site in its existing physical state under the development constraints as stipulated in the said basic terms offer issued by the Government, town planning zoning and Buildings Ordinance etc. Our valuation has been made on the assumption that the outstanding premium (i.e. HK\$372,825,000) for the lease modification has not yet been paid.
- (6) The potential tax liability which would arise on the disposal of the property interest is profit tax at 17.5%. As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.

Group VI – Property interest held by the Group in the PRC for investment

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
12. Lanson Place, Jinlin Tiandi Residences, No. 3, Lane 168 Xingye Road, Luwan District, Shanghai, The People's Republic of China	<p>The property comprises a 27-storey apartment building erected on a 2-storey clubhouse and a single-storey basement for car parking purposes. The building was completed in about 2005.</p> <p>The property accommodates 106 serviced apartment units and 50 covered car parking spaces.</p>	<p>The property is operated as a serviced apartment.</p> <p>The total revenue generated from the property for the year ended 2006 was approximately HK\$42 million</p>	<p>HK\$970,000,000</p> <p>(23.4% interest attributable to the Group</p> <p>HK\$226,980,000)</p>

The gross floor areas of the property are approximately as follows:

Gross Floor Area		
	<i>sq m</i>	<i>sq ft</i>
Serviced apartment units	18,538.04	199,543
Clubhouse	1,372.21	14,771
Basement	2,131.00	22,938
Total:	<u>22,041.25</u>	<u>237,252</u>

The land use rights of the property have been granted for a term expiring on 25 April 2052 for composite uses.

Notes:

- (1) Pursuant to 107 Certificates of Real Estate Ownership issued by Shanghai Housing and Land Resources Administration Bureau, the ownership of the property (inclusive of the 50 car parking spaces) is vested in 上海錦麟天地酒店式公寓管理有限公司 (「錦麟天地」), in which the Company has a 23.4% attributable interest, for a term expiring on 25 April 2052.
- (2) Pursuant to the Business Licence No. 1067087 dated 6 January 2006, 錦麟天地 was incorporated with a registered capital of US\$12,000,000 and has an operation period commencing on 28 September 2004 and expiring on 27 September 2054.
- (3) According to the legal opinion issued by the Group's PRC legal advisers, the potential tax liability which would arise on the disposal of the property interest in the PRC includes but is not limited to, business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount), corporate tax (subject to the tax rate applicable to 錦麟天地) and stamp duty (0.05%). As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter-alia, the following information:–
 - (i) 錦麟天地 is the sole owner of the land use rights and the building ownership of the property;
 - (ii) 錦麟天地 is entitled to use, transfer, lease, mortgage or to dispose of the property by any other legal means; and
 - (iii) the property is subject to a mortgage in favour of 天達地產公司 for a loan amount of US\$23,800,000.

Group VII – Property interests held by the Group in the PRC for self-occupation

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
13. An industrial complex held by Ruyuan Baoli Garment Co., Ltd. (乳源寶麗製衣有限公司) situated at Hougongdu Town, Ruyuan County, Shaoguan City, Guangdong Province, The PRC	<p>The property comprises a levelled site with a site area of approximately 15,352 sq. m. (165,249 sq. ft.) on which an industrial complex completed in 2006 is erected.</p> <p>The main buildings of the industrial complex includes a 3-storey factory building, a 5-storey dormitory building and a 4-storey dormitory building with a total gross floor area of approximately 9,146.4 sq. m. (98,452 sq. ft.).</p> <p>The land use rights of the property have been granted for a term of 50 years commencing on 22 January 2003 and expiring on 21 January 2053 for industrial uses.</p>	The property is occupied by the Group as factory, office and dormitory.	<p>HK\$13,200,000 (70% interest attributable to the Group HK\$9,240,000)</p>

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate No. Ru Fu Guo Yong Zong Zi Di 000029473/Ru Fu Guo Yong Zi (2003) Di 02320300002 issued by the People's Government of Ruyuan Yaozu Autonomous County on 22 January 2003, the land use rights of the property, comprising a site area of 31,850 sq. m., have been granted to Ruyuan Baoli Garment Co., Ltd. (乳源寶麗製衣有限公司) ("Ruyuan Baoli") for a term of 50 years commencing on 22 January 2003 and expiring on 21 January 2053 for industrial uses.

According to the aforesaid State-owned Land Use Rights Certificate, the land use rights of portion of the land, with a site area of 16,498 sq. m. have been granted to Ruyuan Guanli Garment Co., Ltd. (乳源冠麗製衣有限公司) for a term commencing on 27 May 2005 and expiring on 21 January 2053 for industrial uses. The site area of the land held by Ruyuan Baoli, in which the Company has an attributable interest of 70%, has been changed to 15,352 sq. m..

- (2) Pursuant to 3 Real Estate Title Certificates all issued by the People's Government of Guangdong Province, the building ownership to the property with a total gross floor area of 9,146.4 sq. m. is vested in Ruyuan Baoli for industrial uses.
- (3) According to the legal opinion issued by the Group's PRC legal advisers, the potential tax liability which would arise on the disposal of the property interest in the PRC includes but is not limited to, business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount), corporate tax (subject to the tax rate applicable to Ruyuan Baoli) and stamp duty (0.05%). As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter-alia, the following information: –
 - (i) Ruyuan Baoli is the sole owner of the building ownership and the land use rights of the property;
 - (ii) Ruyuan Baoli is entitled to use, transfer, lease, mortgage or dispose of the property by any other legal means; and
 - (iii) the property is not subject to any mortgages.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
14. An industrial complex held by Ruyuan Guanli Garment Co., Ltd. (乳源冠麗製衣有限公司) situated at Hougongdu Town (Lot No 050100002), Ruyuan County, Shaoguan City, Guangdong Province, The PRC	<p>The property comprises a levelled site with a site area of approximately 16,498 sq. m. (177,584 sq. ft.) on which an industrial complex completed in 2006 is erected.</p> <p>The main buildings of the industrial complex includes two 3-storey factory buildings, a 5-storey dormitory building and a 4-storey dormitory building with a total gross floor area of approximately 13,638.56 sq. m. (146,805 sq. ft.).</p> <p>The land use rights of the property have been granted for a term commencing on 27 May 2005 and expiring on 21 January 2053 for industrial uses.</p>	The property is occupied by the Group as factory, office and dormitory.	<p>HK\$19,000,000</p> <p>(86.4% interest attributable to the Group</p> <p>HK\$16,416,000)</p>

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate No. Ru Fu Guo Yong Zong Zi Di 000030202/No. Ru Fu Guo Yong Zi (2005)Di 02320300014 issued by the People's Government of Ruyuan Yaozu Autonomous County on 27 May 2005, the land use rights of the property, comprising a site area of 16,498 sq. m., have been granted to Ruyuan Guanli Garment Co., Ltd. (乳源冠麗製衣有限公司) ("Ruyuan Guanli") for a term commencing on 27 May 2005 and expiring on 21 January 2053 for industrial uses. The Company has an attributable interest of 86.4% in Ruyuan Guanli.

- (2) Pursuant to 4 Real Estate Title Certificates all issued by the People's Government of Guangdong Province, the building ownership to the property with a total gross floor area of 13,638.56 sq. m. is vested in Ruyuan Guanli for industrial uses.
- (3) According to the legal opinion issued by the Group's PRC legal advisers, the potential tax liability which would arise on the disposal of the property interest in the PRC includes but is not limited to, business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount), corporate tax (subject to the tax rate applicable to Ruyuan Guanli) and stamp duty (0.05%). As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter-alia, the following information:
 - (i) Ruyuan Guanli is the sole owner of the building ownership and the land use rights of the property;
 - (ii) Ruyuan Guanli is entitled to use, transfer, lease, mortgage or dispose of the property by any other legal means; and
 - (iii) the property is not subject to any mortgages.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
15. An industrial complex held by Shaoguan Ruyuan Huanbang Knitting & Garment Co., Ltd. (韶關乳源環邦針織製衣有限公司) situated at Hougongdu Town, Ruyuan County, Shaoguan City, Guangdong Province, The PRC	<p>The property comprises a levelled site with a site area of approximately 21,767 sq. m. (234,300 sq. ft.) on which an industrial complex completed in about 2004 is erected.</p> <p>The main buildings of the industrial complex includes two 4-storey dormitory buildings and a 4-storey factory building with a total gross floor area of approximately 14,537.00 sq. m. (156,476 sq. ft.).</p> <p>The land use rights of the property have been granted for a term of 50 years commencing on 18 September 2002 and expiring on 17 September 2052 for industrial uses.</p>	The property is occupied by the Group as factory, office and dormitory.	<p>HK\$2,900,000</p> <p>(78% interest attributable to the Group HK\$2,262,000)</p>

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate No. Ru Fu Guo Yong Zong Zi Di 000030312/No. Ru Fu Guo Yong Zi (2005)Di 02320100060 issued by Ruyuan Yaozu Autonomous County State-owned Land Resources Bureau on 28 October 2005, the land use rights of the property, comprising a site area of 21,767 sq. m., have been granted to Shaoguan Ruyuan Huanbang Knitting & Garment Co., Ltd. (韶關乳源環邦針織製衣有限公司) ("Ruyuan Huanbang") for a term of 50 years commencing on 18 September 2002 and expiring on 17 September 2052 for industrial uses. The Company has an attributable interest of 78% in Ruyuan Huanbang.
- (2) As advised by the Group, Ruyuan Huanbang has not obtained the Real Estate Title Certificate for the buildings of the property. As such, we have assigned no commercial value to the said buildings.
- (3) According to the legal opinion issued by the Group's PRC legal advisers, the potential tax liability which would arise on the disposal of the property interest in the PRC includes but is not limited to, business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount), corporate tax (subject to the tax rate applicable to Ruyuan Huanbang) and stamp duty (0.05%). As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter-alia, the following information:–
 - (i) Ruyuan Huanbang is the sole owner of the land use rights of the property;
 - (ii) Ruyuan Huanbang is entitled to use, transfer, lease or mortgage or dispose of the land use rights of the property by any other legal means; and
 - (iii) Ruyuan Huanbang has not applied for the Real Estate Title Certificates of the buildings and therefore, Ruyuan Huanbang cannot be the legal owners of such buildings.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
16. An industrial complex held by Xiangjia Co., Ltd. (祥佳有限公司) situated at Macaokeng, Laowei Village, Niushan Management Zone, Fucheng District, Dongguan, Guangdong Province, The PRC	<p>The property comprises a levelled site with a site area of approximately 6,552 sq. m. (70,526 sq. ft.) on which an industrial complex completed in 1995 is erected.</p> <p>The main buildings of the industrial complex includes two 4-storey dormitory buildings, a 4-storey office/dormitory building, a 4-storey factory building and a single storey boiler room with a total gross floor area of approximately 11,564.93 sq. m. (124,485 sq. ft.).</p> <p>The land use rights of the property have been granted for a term of 50 years commencing in March 1994 and expiring in March 2044 for industrial uses.</p>	<p>The property is occupied by the Group as factory, office and dormitory.</p>	<p>HK\$13,400,000</p> <p>(78% interest attributable to the Group HK\$10,452,000)</p>

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate No. Dong Fu Guo Yong(1994)Zi Di Te 233 issued by the People's Government of Dongguan on 29 April 1994, the land use rights of the property, comprising a site area of 6,552 sq. m., have been granted to Xiangjia Co., Ltd. (祥佳有限公司) ("Xiangjia") for a term of 50 years commencing in March 1994 and expiring in March 2044 for industrial uses. The Company has an attributable interest of 78% in Xiangjia.
- (2) Pursuant to 4 Real Estate Title Certificates dated 28 July 1998, the building ownership to the property with a total gross floor area of 11,564.93 sq. m. is vested in Xiangjia for industrial uses.
- (3) According to the legal opinion issued by the Group's PRC legal advisers, the potential tax liability which would arise on the disposal of the property interest in the PRC includes but is not limited to, business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount), corporate tax (subject to the tax rate applicable to Xiangjia) and stamp duty (0.05%). As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter-alia, the following information:
 - (i) Xiangjia is the sole owner of the building ownership and the land use rights of the property;
 - (ii) Xiangjia is entitled to use, transfer, lease, mortgage or dispose of the property by any other legal means; and
 - (iii) the property is not subject to any mortgages.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
17. An industrial complex held by Zhongfu Co., Ltd. (中福有限公司) situated at Macaokeng, Laowei Village, Niushan Management Zone, Fucheng District, Dongguan, Guangdong Province, The PRC	<p>The property comprises a levelled site with a site area of approximately 6,538 sq. m. (70,375 sq. ft.) on which an industrial complex completed in 1995 is erected.</p> <p>The main buildings of the industrial complex includes two 4-storey dormitory buildings, a 4-storey factory building, a 4-storey office building and a single storey boiler room with a total gross floor area of approximately 9,608.59 sq. m. (103,427 sq. ft.).</p> <p>The land use rights of the property have been granted for a term of 50 years commencing in March 1994 and expiring in March 2044 for industrial uses.</p>	The property is occupied by the Group as factory, office and dormitory purposes.	HK\$11,500,000 (100% interest attributable to the Group HK\$11,500,000)

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate No. Dong Fu Guo Yong(1994)Zi Di Te 234 issued by the People's Government of Dongguan on 29 April 1994, the land use rights of the property, comprising a site area of 6,538 sq. m., have been vested in Zhongfu Co., Ltd. (中福有限公司) ("Zhongfu") for a term of 50 years commencing in March 1994 and expiring in March 2044 for industrial uses. The Company has an attributable interest of 100% in Zhongfu.
- (2) Pursuant to 4 Real Estate Title Certificates dated 28 July 1998, the building ownership to the property with a total gross floor area of 9,608.59 sq. m. is vested in Zhongfu for industrial uses.
- (3) According to the legal opinion issued by the Group's PRC legal advisers, the potential tax liability which would arise on the disposal of the property interest in the PRC includes but is not limited to, business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount), corporate tax (subject to the tax rate applicable to Zhongfu) and stamp duty (0.05%). As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter-alia, the following information:
 - (i) Zhongfu is the sole owner of the building ownership and the land use rights of the property;
 - (ii) Zhongfu is entitled to use, transfer, lease, mortgage or dispose of the property by any other legal means; and
 - (iii) the property is not subject to any mortgages.

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2007
18. An industrial complex held by Dongguan Guanli Fashion Co., Ltd. (東莞冠麗時裝有限公司) situated at Jiuwei Village, Jizhou Management Zone, Shijie Town, Dongguan, Guangdong Province, The PRC	<p>The property comprises a levelled site with a site area of approximately 17,970 sq. m. (193,429 sq. ft.) on which an industrial complex mainly completed between 1996 and 1998 is erected.</p> <p>The main buildings of the industrial complex includes two 4-storey factory buildings, a 4-storey office/factory building, a single storey canteen, five 5-storey dormitory buildings and a 4-storey power station room with a total gross floor area of approximately 28,178.86 sq. m. (303,317 sq. ft.).</p> <p>The land use rights of the property have been granted for terms of 50 years expiring on 12 January 2047 and 30 November 2047 respectively for industrial uses.</p>	The property is occupied by the Group as factory, office and dormitory.	<p>HK\$29,400,000</p> <p>(86.4% interest attributable to the Group</p> <p>HK\$25,402,000)</p>

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate No. Dong Fu Guo Yong(1997)Zi Di Te 52 issued by the People's Government of Guangdong Province in 1997, the land use rights of the property, comprising a site area of 13,501 sq. m., have been granted Dongguan Guanli Fashion Co., Ltd. (東莞冠麗時裝有限公司) ("Dongguan Guanli") for a term of 50 years commencing on 13 January 1997 and expiring on 12 January 2047 for industrial uses. The Company has an attributable interest of 86.4% in Dongguan Guanli.
- (2) Pursuant to a State-owned Land Use Rights Certificate No. Dong Fu Guo Yong (1998) Zi Di Te 62, the land use rights of a parcel of land with a site area of 4,469 sq.m. have been granted to Dongguan Guanli for a term expiring on 30 November 2047 for industrial uses.
- (3) Pursuant to 10 Real Estate Title Certificates all issued by the People's Government of Guangdong Province on 8 May 1998, the building ownership to the property with a total gross floor area of 28,178.86 sq.m. is vested in Dongguan Guanli for industrial uses.
- (4) According to the legal opinion issued by the Group's PRC legal advisers, the potential tax liability which would arise on the disposal of the property interest in the PRC includes but is not limited to, business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount), corporate tax (subject to the tax rate applicable to Dongguan Guanli) and stamp duty (0.05%). As confirmed by the Company, the Group has no immediate plan nor present intention to dispose of the property interest, therefore there is no immediate potential tax liability.
- (5) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter-alia, the following information:—
 - (i) Dongguan Guanli is the sole owner of the building ownership and the land use rights of the property;
 - (ii) Dongguan Guanli is entitled to use, transfer, lease or mortgage or dispose of the property by any other legal means; and
 - (iii) the property is not subject to any mortgages.

Group VIII – Property interests rented by the Group in Cambodia for self-occupation

Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 March 2007
19. Warehouse Land of 1st Warehouse of Kilometer 6, Warehouse Centre located along National Road No. 5, Phnom Penh, Cambodia	<p>The property comprises a single storey warehouse building completed in about 1980's.</p> <p>The total floor area of the property is approximately 7,880 sq m (84,820 sq ft).</p> <p>By a lease agreement dated 18 May 1998 made between President Knitting Garment Co. Limited (Cambodia), an independent third party, as lessor and Eternal Way (Holdings) Limited, in which the Company has a 86.4% interest, as lessee, the property was leased to the Group for a term of ten years from 18 May 1998 at a monthly rent of approximately US\$17,336 for the first five years and US\$20,803 for the remaining five years. Pursuant to a fax on 16 February 2006, the monthly rental mutually agreed between the lessor and lessee was approximately US\$19,070 for the period from 1 January 2006 to 31 December 2008.</p>	The property is occupied by the Group as workshops.	No commercial value

Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 31 March 2007
20. No. 1782, Nation Road No. 5 (km No. 3), Sangkat Toul Sangke, Khan Russey Keo, Phnom Penh, Cambodia	<p>The property comprises a single storey warehouse buildings completed in about 1980's.</p> <p>The total floor area of the property is approximately 9,600 sq m (103,334 sq ft).</p> <p>By a lease agreement dated 9 June 2006 made between Ms Lay Hieng, an independent third party, as lessor and Universal Glory (Cambodia) Limited, in which the Company has a 86.4% interest, as lessee, the property was leased to the Group for a term of three years from 1 August 2006 at a monthly rent of US\$9,000 with an option to renew for a further term of three years at the same monthly rent.</p>	The property is occupied by the Group as workshops.	No commercial value