

21 May 2007

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

Dear Sirs,

**RE: LEVELS B3 TO 6 OF COMMERCIAL PODIUM KNOWN AS "INFINITY" AND 145  
CAR PARKING SPACES ON LEVELS B1 TO B3, SHANGHAI SQUARE, SITUATED  
AT NO. 138 HUAIHAI ZHONG ROAD, LUWAN DISTRICT, SHANGHAI, THE  
PEOPLE'S REPUBLIC OF CHINA**

**Instructions, Purpose & Date of Valuation**

We refer to your instructions for us to value the interest in the captioned property (the "Property") which is situated in the People's Republic of China (the "PRC"). We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing USI Holdings Limited (the "Company"), its subsidiaries and jointly controlled entities (hereinafter together referred to as the "USI Group") with our opinion of the market value of the property interest as at 31 March 2007 (the "Date of Valuation").

**Basis of Valuation**

Our valuation of the property interest is our opinion of its market value which in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors is defined 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.

**DTZ**

16/F 1063 King's Road Quarry Bay Hong Kong  
**Tel:** +852 2507 0507  
**Fax:** +852 2530 1502  
[www.dtz.com/cn](http://www.dtz.com/cn)

**DTZ 戴德梁行**

香港鰂魚涌英皇道1063號16樓  
**電話:** +852 2507 0507  
**傳真:** +852 2530 1502  
[www.dtz.com/cn](http://www.dtz.com/cn)

### **Valuation Assumptions**

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

We have relied on the information given by the Company and the opinion of the PRC legal adviser, Zhong Lun Law Firm (中倫金通律師事務所), of the Company, regarding the title of the property and the interest of the USI Group in the Property. The status of titles and grants of major approvals and licences, in accordance with the information provided by the Company and the PRC legal opinion are set out in the notes in the valuation certificate.

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

### **Method of Valuation**

In forming our opinion of the market value of the Property, we have valued the vacant portion of the Property by Direct Comparison Approach assuming sale of the vacant portion of the Property with the benefit of vacant possession and by making reference to comparable sales evidence as available on the market, in respect of the leased portion of the Property, we have adopted investment approach by capitalizing the current rent passing derived from the existing tenancies and the reversionary income potential of the Property.

In valuing the Property, we have complied with the requirements 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 HKIS Valuation Standards on Properties (First Edition 2005) of The Hong Kong Institute of Surveyors.

### **Source of Information**

In the course of our valuation, we have relied to a very considerable extent on the information given by the Company and the opinion of the legal adviser to the Company as to PRC laws regarding the title to the property interest in the PRC. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupancy, tenancy details, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificate are based on information provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

### **Title Investigation**

We have been provided with extracts of documents relating to the Property in the PRC. However, we have not searched the original documents to ascertain ownership or to verify any amendments which may not appear on the copies handed to us. We are also unable to ascertain the USI Group's title to the Property in the PRC and we have therefore relied on the advice given by the Company and the opinion of the legal adviser to the Company as to PRC laws regarding the interest of the USI Group in the Property.

### **Site Inspection**

We have inspected the exterior and, where possible, the interior of the Property. However, no structural survey has been made and no tests have been carried out on any of the services, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defect. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct.

### **Currency**

Unless otherwise stated, all sums stated in our valuation certificate are in Renminbi (RMB), the official currency of the PRC.

Our valuation certificate is attached.

Yours faithfully,  
for and on behalf of  
**DTZ Debenham Tie Leung Limited**



**Philip C. Y. Tsang**  
*Registered Professional Surveyor (GP)*  
*China Real Estate Appraiser*  
*Msc., M.H.K.I.S., M.R.I.C.S.*  
**Senior Associate Director**

*Note: Mr. Philip C. Y. Tsang is a Registered Professional Surveyor who has over 15 years' of experience in the valuation of properties in the PRC.*

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 March 2007
Levels B3 to 6 of Commercial Podium known as "Infiniti" and 145 car parking space on Levels B1 to B3, Shanghai Square, situated at No.138 Huaihai Zhong Road, Luwan District, Shanghai, the PRC	<p>Shanghai Square is a 30-storey commercial and office building plus 3 storeys basement comprising a total gross floor area of approximately 79,786.02 sq.m. (858,817 sq.ft.). Portion of Level B1 and Levels 1 to 6 of Shanghai Square are devoted for commercial use, Levels 7 to 30 are devoted for office use and Portion of Level B1 and Levels B2 to B3 are devoted for car park use comprising 145 car parking spaces. Shanghai Square was completed in December 1997.</p> <p>The Property comprises Levels B3 to 6 of the commercial podium known as "Infiniti" of Shanghai Square. Portion of Level B1 and Levels 1 to 6 with a total gross floor area of approximately 40,692.93 sq.m. (438,019 sq.ft.) for commercial use and 145 car parking spaces on Portion of Level B1 and Levels B2 to B3 with a total gross floor area of approximately 9,146.60 sq.m. (98,454 sq. ft.).</p> <p>The land use rights of the Property have been granted for a term of 50 years from 24 October 1992 to 23 October 2042 for composite use.</p>	<p>Portion of the commercial podium of the Property with a total leaseable floor area of approximately 24,207 sq.m (260,564 sq.ft.) are subject to various tenancies for terms commencing between 1 April 2005 and 30 March 2007 and expiring between 31 January 2008 and 20 October 2016 at a total monthly rent passing of approximately RMB5,900,124 (exclusive of management fees).</p> <p>The remainder of the commercial podium of the Property is currently vacant.</p> <p>The 145 car parking spaces in Portion of Level B1 and Levels B2 to B3 are currently leased or licensed to various tenants on daily or monthly basis.</p>	RMB1,640,000,000

*Notes:*

- (1) According to Shanghai Certificate of Real Estate Ownership HFDSZ (1998) No. 000754 (滬房地市字(1998)第000754號) issued by Shanghai Municipal Building and Land Administrative Bureau on 24 February 1998, the particulars are shown as follows:

Grantee	:	Shanghai Winning Property Development Co., Ltd. (上海永菱房產發展有限公司)
Location	:	No. 138, Huaihai Zhong Road
Site Area	:	11,351 sq.m.
Gross Floor Area	:	79,786.02 sq.m. (This refers to the whole building of Shanghai Square)
Use	:	Composite
Land Use Term	:	From 24 October 1992 to 23 October 2042
Date of Completion	:	24 December 1997
Encumbrances	:	Nil

- (2) According to the Survey Report issued by Shanghai Building and Land Survey Centre (上海市房屋土地測繪中心) on 16 October 1997 and the 145 Certificates of Registration of Real Estate of Shanghai Municipality (上海市房地產登記冊), the area breakdown of the Property is summarized as follows:

Level	Use	Approximate Gross Floor Area	
		sq.m.	sq.ft.
Portion of B1 and 1 – 6	Commercial	40,692.93	438,019
Portion of B1 and B2 – B3	Car Parking	9,146.60	98,454
Total:		<u>49,839.53</u>	<u>536,473</u>

- (3) According to Business License QDHZZ No.004902 (企獨滬總字第004902號) dated 31 October 2005, Shanghai Winning Property Development Co., Ltd. (上海永菱房產發展有限公司) was established with a registered capital of USD40,000,000 for a valid operation period from 15 November 1993 to 14 November 2043.

(4) According to the PRC legal opinion prepared by Zhong Lun Law Firm (中倫金通律師事務所):

- (i) According to Shanghai Certificate of Real Estate Ownership HFDSZ (1998) No. 000754 (滬房地市字(1998)第000754號) issued by Shanghai Municipal Building and Land Administrative Bureau on 24 February 1998, the real estate ownership of the whole building of Shanghai Square comprising a total gross floor area of approximately 79,786.02 sq.m. is vest in Shanghai Winning Property Development Co., Ltd. for a term of 50 years from 24 October 1992 to 23 October 2042 for composite use;
- (ii) the Property comprises Levels B3 to 6 of commercial podium of Shanghai Square. Portion of Level B1 and Levels 1 to 6 with a total gross floor area of approximately 40,692.93 sq.m. for commercial use and 145 car parking spaces on Portion of Level B1 and Levels B2 to B3 with a total gross floor area of approximately 9,146.60 sq.m.;
- (iii) the Property is not subject to mortgage or other encumbrances;
- (iv) subject to the right of first refusal to purchase the Property of the lessee (if such right of first refusal to purchase has not been abandoned), Shanghai Winning Property Development Co., Ltd. is entitled to freely use, transfer, mortgage, lease or otherwise dispose of the Property within the residual term of land use rights; and
- (v) the potential tax liability which would arise on the disposal of the Property in the PRC shall include but not limited to deed tax (1.5%), business tax (5%), land appreciation tax (about 30% to 60% depending on the appreciation amount) and usual corporate tax (33%). As confirmed by the management of the Company, the USI Group has no immediate plan nor present intention to dispose of the Property, therefore there is no potential tax liability.

(5) The status of the title and grant of major approvals and licences in accordance with the PRC legal opinion and the information provided to us are as follows:-

Certificate of Real Estate Ownership	Yes
Certificate of Registration of Real Estate	Yes
Survey Report	Yes
Business Licence	Yes