

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus, received from CB Richard Ellis Limited, an independent property valuer, in connection with its valuation as at 31 March, 2004 of the property interests of the Group.

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8 June, 2004

Plasmagene Biosciences Limited
5th Floor
Club Lusitano,
16 Ice House Street,
Central,
Hong Kong

Dear Sirs,

We refer to your instruction for us to carry out a valuation of the property interests held by Plasmagene Biosciences Limited and its subsidiaries (together the “Group”), details of which are set out in the attached valuation certificates. We confirm that we have made relevant investigations and enquiries and obtained such further information as we consider necessary for the purpose of providing our opinion of the capital values of the properties as at 31 March, 2004.

Unless otherwise stated, our valuation is prepared in accordance with the “Hong Kong Guidance Notes on the Valuation of Property Assets (2nd Edition)” published by The Hong Kong Institute of Surveyors (“HKIS”) in March 2000. If the Guidance Notes are silent on subjects requiring guidance, we refer to the “Appraisal and Valuation Manual” published by The Royal Institution of Chartered Surveyors (“RICS”) subject to variation to meet local established law, custom, practice and market conditions. We have complied with all the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market issued by The Stock Exchange of Hong Kong Limited.

Our valuation is our opinion of Open Market Value which is defined to mean “the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- c) that the state of the market, levels of value and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.”

All the properties are rented by the Group and are considered to have no commercial value due mainly to the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

We have relied to a considerable extent on information given by the Group in particular in respect of matters such as planning approvals, statutory notices, easements, tenancies, floor plans and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificates are based on our measurements taken from plans and therefore are only approximations.

Whilst we have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries, we have not scrutinised the original documents to verify the correctness of the information or to ascertain subsequent amendments, if any, which may not appear on the copies handed to us. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to valuation. We were also advised by the Group that no material facts have been omitted from the information provided to us.

We have inspected the properties to such extent as we consider necessary for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defects.

Neither the whole or any part of this letter and valuation certificates or any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval to the form and context in which it may appear.

We enclose herewith a summary of valuation and our valuation certificates.

Yours faithfully,
For and on behalf of
CB Richard Ellis Limited
Alex P W Leung
MHKIS MRICS RPS(GP)
Director
Valuation & Advisory Services

Note: Mr. Alex P W Leung is a Registered Professional Surveyor, a corporate member of the Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. He has been practicing in the valuation of properties in Hong Kong since early 1995.

SUMMARY OF VALUATIONS

Property	Capital value in the existing state as at 31 March, 2004
1. Duplex Flat B on 1st Floor and Car Parking Space No. 8 on 3rd Lower Ground Floor, 1 Garden Terrace and 8 Old Peak Road, Mid-levels, Hong Kong	No commercial value
2. 5th Floor Club Lusitano, 16 Ice House Street, Central, Hong Kong	No commercial value

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in the existing state as at 31 March, 2004
<p>1. Duplex Flat B on 1st Floor and Car Parking Space No. 8 on 3rd Lower Ground Floor, 1 Garden Terrace and 8 Old Peak Road, Mid-levels Hong Kong</p> <p>The property comprises 35/1676 shares in Section A, Remaining Portion of Sub-section 1 of Section B, and Remaining Section of Section B all of Inland Lot No. 896, Section A of Inland Lot No. 1213, Remaining Portion of Sub-section 1 of Section A and Remaining Portion of Section A both of Inland Lot No. 2850</p>	<p>The subject property comprises a 4-bedroomed duplex apartment and a covered car parking space in a 43-storey luxury residential development completed in 1983. Recreational facilities are available including swimming pool and gymnasium.</p> <p>The saleable area of the apartment is approximately 295.64 sq.m. (3,182 sq.ft.).</p> <p>The property is leased by Induna Limited to Plasmagene Biosciences Limited for a term of 2 years expiring on 21 September, 2004 at a monthly rent of HK\$70,000 inclusive of air-conditioning and management fee and rates, property tax and government rent.</p>	<p>The property is currently occupied by Dr. Yeung who is a director of the Group.</p>	<p>No commercial value</p>

Notes:

1. According to the Land Registry record, the current registered owner of the property is Induna Limited which is an independent third party from the Group.
2. The property is subject to the following encumbrances:
 - i. Deed of Mutual Covenant registered in the Land Registry by memorial no. 2546579 dated 31 January, 1984.
 - ii. Deed of Rectification, Supplemental to the Deed of Mutual Covenant registered in the Land Registry by memorial no. 2683455 dated 5 December, 1984.
3. The property lies within an area zoned as "Residential (Group B)" uses under the current outline zoning plan.

Property	Description and tenure	Details of occupancy	Capital value in the existing state as at 31 March, 2004
2. 5th Floor Club Lusitano, 16 Ice House Street, Central Hong Kong The property comprises certain equal and undivided shares in the Remaining Portion of Inland Lot No. 339	<p>The subject property comprises a whole office floor in a 27-storey commercial building with office floors, retail podium and club facilities completed in 2001.</p> <p>The lettable area of the property is approximately 207.92 sq.m. (2,238 sq.ft.).</p> <p>The property is leased by The Club Lusitano to Plasmagene Biosciences Limited (“Plasmagene”) for a term of 2 years commencing from 13 February, 2003 at a monthly rent of HK\$27,975 exclusive of rates, air-conditioning, management fee, and all other charges. The tenant has an option to renew the lease for further two years at open market rent.</p>	<p>According to a sub-lease agreement made between Plasmagene and Wellchamp Capital Limited (“Wellchamp”), both parties agreed to share the property for a term of 1 year until 25 May, 2004 at a monthly rent of HK25,000 (inclusive of air-conditioning and management fee) payable by Wellchamp to Plasmagene.</p> <p>The property is jointly occupied by the Group and Wellchamp as office including a minority portion for laboratory use.</p>	No commercial value

Notes:

1. According to the Land Registry record, the current registered owner of the property is The Club Lusitano which is an independent third party from the Group.
2. Wellchamp is 97.6% owned by a director of Plasmagene.
3. The property is subject to a Mortgage to secure general banking facilities for consideration of all moneys and Rent Assignment both in favour of The Hongkong and Shanghai Banking Corporation Limited registered by memorial nos. 7904341 and 8545630 dated 21 October, 1999 and 26 November, 2001 respectively.
4. The property lies within an area zoned as “Commercial” uses under the current outline zoning plan.
5. As advised by Plasmagene, Wellchamp is now sharing the property with Plasmagene upon same terms and conditions as contained in the sub-lease agreement notwithstanding that the term has already expired.