

The following is the text of a letter with the summary of valuations and valuation certificates received from DTZ Debenham Tie Leung Limited, the independent property valuer, in connection with its valuation of the properties of the Group as at 31 March 2013, for the purpose of incorporation in this prospectus.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

6 June 2013

The Directors
Hopewell Hong Kong Properties Limited
Room 63-01, 63rd Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Dear Sirs,

Instruction, Purpose & Date of Valuation

We refer to your instructions for us to carry out market valuations of the properties in which Hopewell Hong Kong Properties Limited (the “**Company**”) or its subsidiaries (together referred to as the “**Group**”) have interests. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing the Group with our opinion of the values of those properties as at 31 March 2013 (the “**Date of Valuation**”).

Basis of Valuation

Our valuation of each property represents its market value which in accordance with the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors (HKIS) is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Valuation Assumptions

Our valuation of each property 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.

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

Method of Valuation

In valuing properties nos. 1 and 3 to 9 in Group I, we have adopted Income Capitalisation Approach. We have valued each of them by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential. In determining the market rent to be used in valuations, we have made reference to the recent lettings in the subject properties and other similar properties. We have also considered and made due adjustments for differences in key factors including but not limited to floor levels, areas, orientations, frontages and time of letting. Regarding the capitalisation rates, they are estimated with reference to the yield generally expected by the market for comparable properties, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. Our key assumptions for valuations of the properties are set out in the notes of the valuation certificates of the properties. For cross-checking purpose, we have also adopted the Direct Comparison Approach by making reference to comparable sales evidence.

For property no. 2 in Group I, which is a hotel under operation, we have valued it by the Direct Comparison Approach and Discounted Cash Flow (“DCF”). We have valued it assuming all relevant statutory and/or mandatory permissions, permits, approvals and licences which are necessary for hotel operation in Hong Kong are properly in place. In the DCF, we have assumed an investment holding period of 10 years and the details of our key assumptions are set out in the valuation certificate.

In valuing properties nos. 10 to 13 in Group II which are held for development, we have adopted Direct Comparison Approach by making reference to comparable sales transactions as available in the market and have taken into account their development potential.

The valuation methodology used in the valuation of each property is commonly adopted in valuing similar type of property.

In addition, for property no. 11, we have valued it on the basis that it will be developed in accordance with the copies of general building plans and have allowed for the estimated outstanding construction costs provided to us by the Group.

In valuing the properties, we have complied with requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2012 Edition) issued by the Hong Kong Institute of Surveyors.

Source of Information

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as statutory notices, orders, easements, tenure, lettings, licences, particulars of occupancy, identification of properties, trading accounts, site and floor plans, site and floor areas, number of parking spaces, number of guest rooms, development schemes, approximate costs estimates, cost expended, development time schedule and all other relevant matters.

Land Tenure

In valuing the properties, the Government Leases of which expired before 30 June 1997, we have taken into account the provisions contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of People’s Republic of China on the Question of Hong Kong as well as in the New Territories Leases (Extension) Ordinance under which such leases have been extended without premium until 30 June 2047 and that rents of 3% of the rateable values are charged per annum from the date of extension.

Title Investigation

We have not been provided with copies of the title documents relating to the properties but have caused searches to be made at the Land Registry. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

Site Inspection

Our valuers, Ms Amy Ho who is a member of the HKIS and Ms Angelina Kwok who is a probationer of the HKIS, inspected the exterior and wherever possible, the interior of the properties in December 2012 and March 2013. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report whether the properties are free of rot, infestation or any other structural defects. No test was carried out on any of the building services. For those properties which are held for development, we have not carried out any soil investigations to determine the suitability of soil conditions and building services for any development. Moreover we have not undertaken any environmental survey for the properties. Our valuations are prepared on the assumptions that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction.

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

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
K. B. Wong
MHKIS, MRICS, RPS (GP)
Senior Director

Note: Mr. K.B. Wong is a Registered Professional Surveyor (General Practice) who has over 25 years' experience in valuation of properties in Hong Kong.

SUMMARY OF VALUATIONS

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Capital value in existing state as at 31 March 2013 HK\$</u>	<u>Interest attributable to the Group</u>	<u>Capital value in existing state attributable to the Group as at 31 March 2013 HK\$</u>
1. Hopewell Centre, No. 183 Queen's Road East, Wan Chai, Hong Kong.	12,720,000,000	100%	12,720,000,000
2. Hotel Portion, Panda Hotel, No. 3 Tsuen Wah Street, Tsuen Wan, New Territories.	3,390,000,000	100%	3,390,000,000
3. Commercial Portion and various Car Parking Spaces of Panda Hotel, No. 3 Tsuen Wah Street, Tsuen Wan, New Territories.	1,895,000,000	100%	1,895,000,000
4. Kowloonbay International Trade & Exhibition Centre, No. 1 Trademart Drive, Kowloon Bay, Kowloon.	9,345,000,000	100%	9,345,000,000
5. QRE Plaza, No. 202 Queen's Road East, Wan Chai, Hong Kong.	1,152,000,000	100%	1,152,000,000
6. Commercial Units G03 and G04 on Ground Floor, Commercial Units 201, 202 and Restaurant on 2nd Floor, Wu Chung House, No. 213 Queen's Road East, Wan Chai, Hong Kong.	457,000,000	100%	457,000,000
7. 10 Lorry Parking Spaces on the 3rd Floor, 39 Car Parking Spaces on the 4th Floor, 31 Car Parking Spaces on the 5th Floor and the Remaining Portion of Reserved Areas, Wu Chung House, No. 213 Queen's Road East, Wan Chai, Hong Kong.	73,600,000	100%	73,600,000

SUMMARY OF VALUATIONS

<u>Property</u>	<u>Capital value in existing state as at 31 March 2013 HK\$</u>	<u>Interest attributable to the Group</u>	<u>Capital value in existing state attributable to the Group as at 31 March 2013 HK\$</u>
8. GardenEast, No. 222 Queen's Road East, Wan Chai, Hong Kong.	1,862,000,000	100%	1,862,000,000
9. Various units, Broadwood Twelve, No. 12 Broadwood Road, Happy Valley, Hong Kong.	808,750,000	100%	808,750,000
Sub-total of Group I:	<u>31,703,350,000</u>	100%	<u>31,703,350,000</u>
Group II – Properties held by the Group for development in Hong Kong			
10. Hopewell Centre II, Kennedy Road, Wan Chai, Hong Kong.	8,945,000,000	100%	8,945,000,000
11. 200 Queen's Road East Project, Lee Tung Street / McGregor Street, Wan Chai, Hong Kong.	8,835,000,000	50%	4,417,500,000
12. Nos. 155, 157 and 159 Queen's Road East, Wan Chai, Hong Kong.	217,000,000	100%	217,000,000
13. Various units, Nos. 161, 163, 165 and 167 Queen's Road East, Wan Chai, Hong Kong.	325,000,000	100%	325,000,000
Sub-total of Group II:	<u>18,322,000,000</u>		<u>13,904,500,000</u>
Grand Total:	<u><u>50,025,350,000</u></u>		<u><u>45,607,850,000</u></u>

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2013
<p>1. Hopewell Centre, No. 183 Queen's Road East, Wan Chai, Hong Kong.</p> <p>Inland Lot No. 8551.</p>	<p>The property comprises a 66-storey (including a basement and a mezzanine above the 17th floor) commercial building. There are a total of 250 car parking spaces and 50 loading and unloading spaces within the building. The property was completed in 1983.</p> <p>The basement to the 3rd, 6th to 8th, 17th and 61st to 62nd floors are for commercial use. The car parking spaces and loading and unloading spaces are located on the 4th, 5th and 9th to 15th floors. The refuge areas are located on the 32nd and 45th floors. The remaining floors are designated for office use.</p> <p>The total gross floor area of the property is approximately 840,692 sq. ft. (78,102.19 sq. m.), excluding the area of car parking spaces and loading and unloading spaces.</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p>	<p>Except for a total area of approximately 87,863 sq. ft. (8,162.67 sq. m.) which is vacant, the shops and offices are let to various tenants for terms of mostly 1 to 6 years with the latest tenancy due to expire in March 2018 at a total rent of about HK\$25,100,000 per month, exclusive of rates, management fees and air-conditioning charges.</p> <p>The car parking spaces are licensed on monthly and hourly basis. The average car park income received in the period from July 2012 to February 2013 was about HK\$1,240,000 per month.</p>	<p>HK\$12,720,000,000</p> <p>(100% interest attributable to the Group: HK\$12,720,000,000)</p>

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
	The property is held from the Government under Conditions of Exchange No. UB11834 for a term of 75 years from 23 May 1985 renewable for a further term of 75 years. The government rent payable for the lot is HK\$1,000 per annum.		

Notes:

- (1) The registered owner of the property is Singway (B.V.I.) Company Limited which is a wholly-owned subsidiary of the Group.
- (2) The property is subject to a No-Objection Letter from District Lands Office/ Hong Kong West vide Memorial No. UB6591354 dated 29 March 1996.
- (3) The property is subject to a Modification Letter from District Lands Office/ Hong Kong East vide Memorial No. 12102501960011 dated 24 October 2012.
- (4) The property is subject to a Consent Letter as to revised car park layout plan from Lands Department vide Memorial No. 12110600570135 dated 11 May 2012.
- (5) The property is subject to a Deed of Grant of Right of Way vide Memorial No. 12110702320022 dated 24 October 2012.
- (6) The property is zoned for "Commercial (5)" use under Wan Chai Outline Zoning Plan No. S/H15/27.
- (7) Our key assumptions in the Income Capitalisation Approach are:

	<u>Market Monthly Rent (per sq. ft.)</u>	<u>Capitalisation Rate</u>
Retail	HK\$33.5 – HK\$240	3.5%
Office	HK\$42 – HK\$57	3.75%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The rental levels of those major retail lettings range from approximately HK\$30 per sq. ft. to HK\$150 per sq. ft. and the rental levels of those major office lettings range from approximately HK\$30 per sq. ft. to HK\$48 per sq. ft.

Hopewell Centre is a well-known and one of the tallest buildings in Wan Chai. Office units, especially those on high floors with open views, can fetch rents higher than other comparable office premises in the same district. Both the office and retail spaces available at Hopewell Centre are of excellent building specifications. The property has been subject to ongoing renovation, with the lobby being extensively modernised in recent years. The available floor plans are both spacious and flexible, with the retail portion containing a large-scale layout. Additionally, the building's column free design results in high efficiency. Excellent customer and concierge services are available at Hopewell Centre, and its access at Kennedy Road, coupled with the large number of offices located in the building, result in both a selection of major chain stores and a high flow of traffic comprising higher income retail customers. Retail shops in the property, in particular, those with street frontages have very positive trading potential and can fetch rents higher than other retail shops in other similar buildings. Furthermore, ample car parking spaces are available and Wan Chai MTR Station is within a close distance. Upward adjustments to the recent lettings for arriving at the key assumptions are necessary to reflect these factors.

We have gathered and analysed various recent sales transactions of shops and offices and noted that the yields implied in those transactions are generally within the range of 3% to 3.7% for retail premises and in the approximate range of 3% for office premises.

The capitalisation rates are reasonable having regard to the yields analysed from sales of comparable properties, particularly those of larger sizes, which we have collected. When determining the capitalisation rate, we have taken into account that Wan Chai is a key business area and is a key retail and office hub with convenient transportation access. The property is one of the largest office properties in Wan Chai and can be regarded as one of the iconic developments in the district.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
2. Hotel Portion, Panda Hotel, No. 3 Tsuen Wah Street, Tsuen Wan, New Territories. Situated within Tsuen Wan Town Lot No. 312.	<p>The property comprises the hotel portion of a 33-storey (including a 3-level basement) hotel/commercial complex completed in 1991. The hotel accommodates 911 guest rooms. Facilities such as swimming pool, gymnasium, function rooms, bars, Chinese and Western restaurants, coffee shop and business centre etc. are provided within the hotel.</p> <p>The total gross floor area of the property is approximately 424,717 sq. ft. (39,457.17 sq. m.)</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under New Grant No. 6598 for a term of 99 years less the last 3 days from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.</p>	The property is currently operated and managed by the Group as a licensed hotel.	<p>HK\$3,390,000,000</p> <p>(100% interest attributable to the Group: HK\$3,390,000,000)</p>

Notes:

- (1) The registered owner of the property is Kowloon Panda Hotel Limited which is a wholly-owned subsidiary of the Group.
- (2) The property is subject to a Modification Letter vide Memorial No. TW651459 dated 20 March 1990.
- (3) The property is zoned for "Residential (Group A)" use under Tsuen Wan Outline Zoning Plan No. S/TW/29.

- (4) Transactions of hotels are very few and there are no recent sales transactions in Tsuen Wan district. In the course of our valuation, we have taken note of sales of hotels of qualities similar to high tariff B or medium tariff categories in other areas of Hong Kong. The more recent ones which we can find and verify from public records are as follows:

<u>Property</u>	<u>Date of Sale</u>	<u>Price</u>	<u>Number of Rooms</u>	<u>Price per room</u>	<u>Year of Completion</u>
Novotel Nathan Road Kowloon Hong Kong and Nathan Square, 348 Nathan Road, Kowloon.	April 2012	HK\$2,368,000,000	389	HK\$6,087,404 (including value of the commercial portion)	1992 (Renovated in 2008)
Dorsett Regency Hotel, Hong Kong, 12-22 Davis Street, Kennedy Town	May 2012	HK\$800,000,000	209	HK\$3,827,751	2011
H1 Hotel, 423 Reclamation Street, Mong Kok	June 2012	HK\$250,000,000	50	HK\$5,000,000	2011
A hotel at 129-131 Temple Street, Yaumatei	February 2013	HK\$150,000,000	37	HK\$4,054,054	2013

Novotel Nathan Road Kowloon Hong Kong is a 389-room hotel with shops/commercial space from Basement 2 to 3rd Floors which are rented out to other third parties. It is situated at Nathan Road in Yaumatei where pedestrian flow is moderately heavy. In terms of scale, it is smaller but it has a more central location in the urban area than the property. As this sale relates to a hotel/commercial complex, the average price per room has to be adjusted to reflect the underlying value attributable to the hotel portion only.

Dorsett Regency Hotel, Hong Kong is a 209-room hotel provided with a lounge and a swimming pool. It was completed in 2011. The size of the typical guest room is about 200 sq. ft. net. It is situated in Kennedy Town on Hong Kong Island with good accessibility.

H1 Hotel is a 50-room hotel provided with a shop on ground floor. It was completed in 2011. The size of the typical guest room is about 140 sq. ft. net. It is located close to the major mall of Langham Place in Mongkok and in close proximity to the Mong Kok MTR station.

129-131 Temple Street is a 37-room hotel. It was completed in 2013. The size of the typical guest room is about 100 sq. ft. net. It is situated in Yaumatei where there is a high concentration of small hotels which cater for mainland individual travellers.

When compared with the comparable properties, the property is of a larger scale and equipped with better facilities and amenities. It however is of almost 22 years old though well maintained. In terms of location, it is located in Tsuen Wan, New Territories and close to some aged industrial buildings. Whereas, all the comparable premises are situated in the urban area and mainly surrounded by more compatible domestic and commercial developments. In arriving at our valuation, we have considered the above comparables for reference and accounted for the differences between them and the property regarding location, quality, facilities and other factors affecting value.

- (5) We have assumed an investment holding period of 10 years in the DCF valuation and the other key assumptions used are summarised as follows:

- (i) Average daily room rate (“ADR”): 1st year-HK\$820.

The hotel has a long trading history and is in a mature state of business operation. In reaching this assumption, the average daily room rates of the hotel for the past two financial years were taken into consideration. The average daily room rate achieved by the hotel in the 2012 financial year was HK\$700. For the 1st half of the 2013 financial year (i.e. July to December 2012), the average daily room rate grew to HK\$752, an increase of 7.4%. Additionally, the average daily room rates of comparable hotels in the area and industry statistics were also taken into account. According to the statistics of Hong Kong Tourism Board, the average daily room rate of High Tariff B hotels has grown by 8.8% in 2012. We are of the view that the short term outlook for the hotel industry in Hong Kong as a whole will remain positive in the absence of unforeseen and uncontrollable external factors.

- (ii) Annual growth in ADR: Stabilised at 4.5%.

Assumptions regarding annual growth rate in ADR were based upon the hotel’s historical growth and performance. Based on sustained industry growth of the past few years, it is believed that the hotel will continue to follow historical trends and will generate additional revenue in the future, assuming no policy changes or unforeseen events impacting Hong Kong’s economy will occur.

(iii) Occupancy rate: 1st year-89%.

In arriving at our assumptions regarding the future occupancy rate of the hotel, industry statistics, data for the past two years and the performance of Panda Hotel were analysed and reviewed. Its average occupancy rates for the financial years of 2010, 2011 and 2012 were 84.3%, 89.5% and 89.9% respectively. We expect that increasing travellers and visitors to Hong Kong will allow the occupancy rate at the hotel to remain at stable levels for some time. Additionally, we do not anticipate or foresee any material or substantial changes in competition in the near future. We have also assumed there will be no material change in the political or economic conditions in Hong Kong and that no government policies or regulations affecting the number of visitors to Hong Kong or the travel or hotel industries generally will be implemented.

(iv) Discount rate: 8%.

The discount rate reflects the inherent risk associated with investment in the hotel and takes into consideration compensation for risks inherent in future cash flows as well as inflation. It is considered a reasonable assumption based on our understanding of the return expected by investors for similar properties and is consistent with the level of discount rate used in valuation of similar types of properties.

(v) Terminal yield: 4.5%.

The terminal yield is analysed from sales transactions of hotels of which we are aware.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
3. Commercial Portion and various Car Parking Spaces of Panda Hotel, No. 3 Tsuen Wah Street, Tsuen Wan, New Territories. Situated within Tsuen Wan Town Lot No. 312.	<p>The property comprises all the commercial units on the basement levels 1 to 3, ground, 2nd, 3rd and 4th floors and 402 car parking spaces on the 3rd, 4th, 5th, 6th and 7th floors of a 33-storey (including a 3-level basement) hotel/commercial complex. The building was completed in 1991.</p> <p>The total gross floor area of the property is approximately 244,716 sq. ft. (22,734.67 sq. m.) (excluding the area of car parking spaces).</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under New Grant No. 6598 for a term of 99 years less the last 3 days from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.</p>	<p>Except for a total area of approximately 16,274 sq. ft. (1,511.89 sq. m.) which is vacant, the commercial units are let to various tenants for terms of mostly 1 to 3 years with the latest tenancy due to expire in August 2024 at a total rent of about HK\$4,492,000 per month, mostly exclusive of rates, management fees and air-conditioning charges.</p> <p>The car parking spaces are licensed on monthly or hourly basis. The average car park income received in the period from July 2012 to February 2013 was about HK\$625,000 per month.</p>	<p>HK\$1,895,000,000</p> <p>(100% interest attributable to the Group: HK\$1,895,000,000)</p>

Notes:

- (1) The registered owner of the property is Kowloon Panda Hotel Limited which is a wholly-owned subsidiary of the Group.
- (2) The property is subject to a Modification Letter vide Memorial No. TW651459 dated 20 March 1990.
- (3) The property is zoned for "Residential (Group A)" use under Tsuen Wan Outline Zoning Plan No. S/TW/29.
- (4) Our key assumptions in the Income Capitalisation Approach are:

<u>Market Monthly Rent (per sq. ft.)</u>	<u>Capitalisation Rate</u>
HK\$14.5 – HK\$70	4%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The rental levels of those major retail lettings range from approximately HK\$15 per sq. ft. to HK\$100 per sq. ft.

We have gathered and analysed various recent sales transactions of shops and noted that the yields implied in those transactions are generally within the range of 3.6% to 4.4% for retail premises.

The above market rents assumed by us are consistent with the level of the recent lettings within the property and other similar properties within the same district as mentioned above. The capitalisation rate is reasonable having regard to the yields analysed from sales of comparable properties, particularly those of larger sizes, which we have collected. When determining the capitalisation rate, we have taken into account that the property is a commercial arcade beneath one of the largest hotels in Hong Kong (in terms of number of rooms) which can enhance its retail potential. It was designed and built in the 1990's but a major revamp to modernise the arcade has already been carried out in 2005 and an extensive renovation programme was completed in September 2012.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
4. Kowloonbay International Trade & Exhibition Centre, No. 1 Trademart Drive, Kowloon Bay, Kowloon. New Kowloon Inland Lot No. 6032.	<p>The property comprises an 18-storey (including a 4-level basement) commercial building which accommodates shopping arcade, convention and exhibition facilities and offices. It also comprises a total of 763 car parking spaces and various loading and unloading areas.</p> <p>The property was completed in 1996. In addition, an Occupation Permit was issued on 11 October 2007 in respect of a multi-purpose hall which is an extension built on the 3rd floor of the building.</p> <p>The total gross floor area of the property is approximately 1,774,555 sq. ft. (164,860.18 sq. m.) (excluding the area of car parking spaces).</p> <p>The locality of the property is characterised by commercial and industrial buildings of various ages.</p>	<p>Except for a total area of approximately 112,699 sq. ft. (10,469.99 sq. m.) which is vacant, the shops and offices are let to various tenants for terms of mostly 1 to 4 years with the latest tenancy due to expire in February 2016 at a total rent of about HK\$12,892,000 per month, exclusive of rates, management fees and air-conditioning charges.</p> <p>The average monthly gross income received from the convention and exhibition facilities in the period from July 2012 to February 2013 was about HK\$4,293,000 per month.</p> <p>The car parking spaces were licensed on monthly or hourly basis. The average car park income received in the period from July 2012 to February 2013 was about HK\$842,000 per month.</p>	<p>HK\$9,345,000,000</p> <p>(100% interest attributable to the Group: HK\$9,345,000,000)</p>

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
	The property is held from the Government under Conditions of Sale No. UB11985 for a term from 27 November 1987 to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

- (1) The registered owner of the property is International Trademart Company Limited which is a wholly-owned subsidiary of the Group.
- (2) The property is subject to 3 modification letters vide Memorial Nos. UB4240050, UB4922357 and UB9476552 dated 24 October 1989, 23 July 1991 and 20 January 2005 respectively.
- (3) The property is zoned for "Other Specified Uses (Trade Mart and Commercial Development)" use under Kai Tak Outline Zoning Plan No. S/K22/4.
- (4) Our key assumptions in the Income Capitalisation Approach are:

	<u>Market Monthly Rent (per sq. ft.)</u>	<u>Capitalisation Rate</u>
Retail	HK\$12 – HK\$28.5	3.5%
Office and convention and exhibition facilities	HK\$13.6 – HK\$18.5	3.5%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The rental levels of those major retail lettings range from approximately HK\$12 per sq. ft. to HK\$30 per sq. ft. and the rental levels of those major office lettings range from approximately HK\$10 per sq. ft. to HK\$22 per sq. ft.

We have gathered and analysed various recent sales transactions of shops and offices and noted that the yields implied in those transactions are generally within the range of 3% to 3.7% for retail premises and in the approximate range of 3% for office premises.

The above market rents assumed by us are consistent with the level of the recent lettings within the property and other similar properties within the same district as mentioned above. The capitalisation rates are reasonable having regard to the yields analysed from sales of comparable properties, particularly those of larger sizes, which we have collected. When determining the capitalisation rate, we have taken into account that Kowloon Bay is part of Kowloon East which has been earmarked by the Hong Kong government to be transformed into the second CBD. There will be substantial improvements in infrastructure and other developments including construction of a cruise terminal. Kowloonbay International Trade & Exhibition Centre is an integrated high quality and large scale multi-purpose building well recognised in the area.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
5. QRE Plaza, No. 202 Queen's Road East, Wan Chai, Hong Kong.	The property comprises a 25-storey commercial building. The property was completed in 2007.	Except for a total area of approximately 3,292 sq. ft. (305.83 sq. m.) which is vacant, the property is let to various tenants for terms of mostly 1 to 3 years with the latest tenancy due to expire in June 2019 at a total rent of about HK\$2,625,000 per month, exclusive of rates, management fees and air-conditioning charges.	HK\$1,152,000,000 (100% interest attributable to the Group: HK\$1,152,000,000)
The Remaining Portion of Inland Lot No. 7781.	The total gross floor area of the property is approximately 77,033 sq. ft. (7,156.54 sq. m.). The locality of the property is characterised by a mixture of commercial and residential developments of various ages. The property is held from the Government under a Government Lease for a term of 978 years commencing on 25 June 1863. The government rent payable for the lot is HK\$96 per annum.		

Notes:

- (1) The registered owner of the property is QRE Plaza Limited which is a wholly-owned subsidiary of the Group.
- (2) The property is subject to a Deed of Dedication vide Memorial No. 07110901900021 dated 6 November 2007.
- (3) The property is subject to two Modification Letters by the District Lands Office/ Hong Kong East vide Memorial Nos. 07110901900034 and 08040202600019 dated 6 November 2007 and 1 April 2008 respectively.
- (4) The property is subject to a Licence for Offensive Trades vide Memorial No. 09070300640192 dated 23 June 2009.
- (5) The property is zoned for "Commercial (3)" use under Wan Chai Outline Zoning Plan No. S/H15/27.
- (6) Our key assumptions in the Income Capitalisation Approach are:

<u>Market Monthly Rent (per sq. ft.)</u>	<u>Capitalisation Rate</u>
HK\$36 – HK\$150	3.5% – 3.75%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The rental levels of those major retail lettings range from approximately HK\$100 per sq. ft. to HK\$153 per sq. ft.

We have gathered and analysed various recent sales transactions of shops and noted that the yields implied in those transactions are generally within the range of 3% to 3.7% for retail premises.

The above market rents assumed by us are consistent with the level of the recent lettings within the property and other similar properties within the same district as mentioned above. The capitalisation rates are reasonable having regard to the yields analysed from sales of comparable properties, particularly those of larger sizes, which we have collected. When determining the capitalisation rate, we have taken into account that the property is a good quality building offering a wide range of dining establishments and lifestyle outlets with high occupancy rate. It also has the advantage of being within easy walking distance of Wan Chai MTR Station.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
6. Commercial Units G03 and G04 on Ground Floor, Commercial Units 201, 202 and Restaurant on 2nd Floor, Wu Chung House, No. 213 Queen's Road East, Wan Chai, Hong Kong. 1641/80110th shares of and in Inland Lot No. 8766.	<p>The property comprises various retail units on ground and 2nd floors of a 38-storey commercial building. The ground and 2nd floors of the building are designated for retail purpose. Its 3rd to 6th floors are designated for car parking spaces and its upper floors accommodate office units. The building was completed in 1993.</p> <p>The total gross floor area of the property is approximately 17,674 sq. ft. (1,641.95 sq. m.).</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under Conditions of Exchange No. UB12210 from 25 May 1992 to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.</p>	The property is let to various tenants for terms of mostly 1 to 3 years with the latest tenancy due to expire in June 2015 at a total rent of about HK\$1,211,000 per month, exclusive of rates, management fees and air-conditioning charges.	<p>HK\$457,000,000</p> <p>(100% interest attributable to the Group: HK\$457,000,000)</p>

Notes:

- (1) The registered owner of the property is Procelain Properties Ltd. which is a wholly-owned subsidiary of the Group.
- (2) The property is zoned for "Commercial (1)" use under Wan Chai Outline Zoning Plan No. S/H15/27.
- (3) Our key assumptions in the Income Capitalisation Approach are:

<u>Market Monthly Rent (per sq. ft.)</u>	<u>Capitalisation Rate</u>
HK\$55 – HK\$140	3.5% – 3.75%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The rental levels of those major retail lettings range from approximately HK\$53 per sq. ft. to HK\$150 per sq. ft.

We have gathered and analysed various recent sales transactions of shops and noted that the yields implied in those transactions are generally within the range of 3% to 3.7% for retail premises.

The above market rents assumed by us are consistent with the level of the recent lettings within the property and other similar properties within the same district as mentioned above. The capitalisation rates are reasonable having regard to the yields analysed from sales of comparable properties, particularly those of larger sizes, which we have collected. When determining the capitalisation rate, we have taken into account that the property has good retail potential. Some of the units are on the ground floor with frontages to Queen's Road East and some are on the 2nd floor which are connected to Hopewell Centre through a pedestrian bridge.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
7. 10 Lorry Parking Spaces on the 3rd Floor, 39 Car Parking Spaces on the 4th Floor, 31 Car Parking Spaces on the 5th Floor and the Remaining Portion of Reserved Areas, Wu Chung House, No. 213 Queen's Road East, Wan Chai, Hong Kong. 858/80110th shares of and in Inland Lot No. 8766.	<p>The property comprises 10 lorry parking spaces on the 3rd floor, 39 private car parking spaces on the 4th floor, 31 private car parking spaces on the 5th floor and the remaining portion of reserved areas in a 38-storey commercial building. The ground and 2nd floors of the building are designated for retail purpose. Its 3rd to 6th floors are designated for car parking spaces and its upper floors accommodate office units. The building was completed in 1993.</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under Conditions of Exchange No. UB12210 from 25 May 1992 to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.</p>	<p>The car parking spaces are licensed on monthly or hourly basis. The average car park income received in the period from July 2012 to February 2013 was about HK\$486,000 per month.</p> <p>The reserved areas are subject to various licences at a total monthly licence fee of about HK\$21,500.</p>	<p>HK\$73,600,000</p> <p>(100% interest attributable to the Group: HK\$73,600,000)</p>

Notes:

- (1) The property comprises the followings:

	<u>Property</u>
Lorry parking spaces	Lorry parking spaces nos. L1 to L3, 1 to 4 and 8 to 10 on the 3rd Floor.
Car parking spaces	Car parks nos. 1 to 39 on the 4th Floor and Car parks nos. 1 to 12 and 21 to 39 on the 5th Floor.
The Remaining Portion of Reserved Areas	The Remaining Portion of Reserved Areas includes such portion of the Reserved Areas of Wu Chung House as shown and coloured orange on the Plans annexed to Deed Poll Memorial No. UB5412978 and the external walls enclosing the Ground Floor to the Sixth Floor of Wu Chung House and all areas within Inland Lot No. 8766 not covered by any building or buildings and all open spaces in or under Wu Chung House (if any) (which are not Units included in the specific reservations contained in Clause 1(i) of the Agreement for Sale and Purchase Memorial No. UB5708448) save and except such areas (if any) as may be designated as Common Areas, in the Deed of Mutual Covenant or as intended for common use.

- (2) The registered owner of the property is Procelain Properties Ltd. which is a wholly-owned subsidiary of the Group.
 (3) The property is zoned for “Commercial (1)” use under Wan Chai Outline Zoning Plan No. S/H15/27.
 (4) Our key assumptions in the Income Capitalisation Approach are:

<u>Market Monthly Rent (per car parking space)</u>	<u>Capitalisation Rate</u>
HK\$4,400	5.5%

In undertaking our valuation, we have made reference to various recent lettings within the property which are in the range of HK\$3,000 per lot to HK\$5,000 per lot.

We have gathered and analysed various recent sales transactions of car parks and noted that the yields implied in those transactions are generally in the approximate range of around 5%.

The above market rents assumed by us are consistent with the level of the recent lettings within the property and other similar properties within the same district as mentioned above. The capitalisation rate is reasonable having regard to the yields analysed from sales of comparable properties which we have collected.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
8. GardenEast, No. 222 Queen's Road East, Wan Chai, Hong Kong.	The property comprises a 28-storey composite building. Its ground and 2nd floors are devoted to commercial purpose, the 3rd and 5th floors are devoted to podium garden/residents' recreation facilities and the remainder of the property is currently operated as serviced apartment. The building was completed in 2008.	Except for a total area of approximately 2,591 sq. ft. (240.71 sq. m.) which is vacant, the property is let to various tenants on monthly basis or for longer terms of mostly 1 to 2 years with the latest tenancy due to expire in January 2015 at a total rent of about HK\$5,978,000 per month, mostly inclusive of rates, management fees, air-conditioning charges and other outgoings.	HK\$1,862,000,000 (100% interest attributable to the Group: HK\$1,862,000,000)
The Remaining Portion of Sub-section 2 of Section C, the Remaining Portion of Section C, Sub-section 1 of Section D, the Remaining Portion of Section D and Section G all of Inland Lot No. 427.	The property has a total gross floor area of approximately 96,576 sq. ft. (8,972.13 sq. m.). The locality of the property is characterised by a mixture of commercial and residential developments of various ages. The property is held from the Government under a Government Lease for a term of 999 years from 29 July 1855. The government rents payable for the lots are as follows:		

<u>Lots</u>	<u>Government rent (HK\$ per annum)</u>
IL 427 s.C ss.2	26
IL 427 s.C. R.P.	122
IL 427 s.D. ss.1	14
IL 427 s.D R.P.	14
IL 427 s.G	54

Notes:

- (1) The registered owner of the property is GardenEast Limited which is a wholly-owned subsidiary of the Group.
- (2) The property is subject to an offensive trade licence vide Memorial No. 12031201060011 dated 3 August 2010.
- (3) The property is zoned for "Residential (Group A)" and "Open Space" uses under Wan Chai Outline Zoning Plan No. S/H15/27.
- (4) Our key assumptions in the Income Capitalisation Approach are:

	<u>Market Monthly Rent (per sq. ft.)</u>	<u>Capitalisation Rate</u>
Retail	HK\$55 – HK\$90	3.5% – 4%
Serviced apartments	HK\$37.5 – HK\$44.5	3%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The rental levels of those major retail lettings range from approximately HK\$55 per sq. ft. to HK\$150 per sq. ft. and the rental levels of those major serviced apartment lettings range from approximately HK\$50 per sq. ft. to HK\$60 per sq. ft. inclusive of rates, management fees and outgoings.

We have gathered and analysed various recent sales transactions of shops and serviced apartments and noted that the yields implied in those transactions are generally within the range of 3% to 3.7% for retail premises and in the approximate range of 3% for serviced apartment premises.

The above market rents assumed by us are consistent with the level of the recent lettings within the property and other similar properties within the same district as mentioned above. The capitalisation rates are reasonable having regard to the yields analysed from sales of comparable properties, particularly those of larger sizes, which we have collected. When determining the capitalisation rate, we have taken into account that the property stands in good condition, commands good accessibility and is within easy reach of Wan Chai MTR Station, shopping facilities and other community amenities.

VALUATION CERTIFICATE

Group I – Properties held by the Group for investment in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
9. Various units, Broadwood Twelve, No. 12 Broadwood Road, Happy Valley, Hong Kong. Situated on Sections A, C, D and The Remaining Portion of Inland Lot No. 2132.	<p>The property comprises 18 domestic units and 11 car parking spaces of a 40-storey residential tower (including refuge floor) on top of a 5-storey car park/ recreation podium completed in June 2010.</p> <p>According to the information provided by the Group, the total saleable area of the property is approximately 24,265 sq. ft. (2,254.27 sq. m.) (excluding the area of the car parking spaces).</p> <p>The locality of the property is characterised by residential developments of low or medium density.</p> <p>The property is held from the Government under a Government Lease for a term of 75 years from 7 April 1913 renewed for a further term of 75 years. The current Government rent payable for the property is HK\$460,836 per annum.</p>	<p>Except for 11 units which are vacant, the property is let to various tenants for terms of 2 years with the latest tenancy due to expire in April 2015 at a total rent of about HK\$629,000 per month, inclusive of rates and management fees.</p> <p>The car parking spaces are subject to various licences on monthly basis at a total licence fee of HK\$15,000.</p>	<p>HK\$808,750,000</p> <p>(100% interest attributable to the Group: HK\$808,750,000)</p>

Notes:

(1) The property comprises the followings:-

Domestic Units

<u>Unit</u>	<u>Floor</u>
A	22nd, 23rd, 25th, 27th, 28th, 41st, 43rd and 45th
B	8th, 18th, 22nd, 23rd, 25th, 26th, 27th, 41st and 47th
Duplex B	50th and 51st

Car Parking Spaces

<u>Floor</u>	<u>Car Park Nos.</u>
5th	512, 515, 525 and 526
3rd	315, 320, 321, 328 and 329
2nd	213 and 216

- (2) The registered owners of the property are Banbury Investments Limited which is a wholly-owned subsidiary of the Group and Exgratia Company Limited which is a wholly-owned subsidiary of the Group.
- (3) According to the information from the Group, a Sale and Purchase Agreement (“SPA”) in respect of Duplex B on the 50th and 51st Floors and the Car Parking Spaces Nos. 320 and 321 on the 3rd Floor was signed on 26 April 2013 whereby such unit and car parking spaces were agreed to be sold at an aggregate price of HK\$123,000,000 and according to such SPA, completion of the sale and purchase of such unit and car parking spaces is scheduled to take place on 28 June 2013 (which is later than the date of the Prospectus and the Listing Date as currently expected).
- (4) The property is zoned for “Residential (Group C)1” use under Wong Nai Chung Outline Zoning Plan No. S/H7/16.
- (5) Our key assumptions in the Income Capitalisation Approach are:

<u>Market Monthly Rent (per sq. ft.)</u>	<u>Capitalisation Rate</u>
HK\$53 – HK\$80	2.25%

In undertaking our valuation, we have made reference to various recent lettings within the property as well as other similar properties within the same district. The rental levels of those major residential lettings range from approximately HK\$52 per sq. ft. to HK\$60 per sq. ft.

The property is one of the newest developments in the district. It comprises typical apartment units and a duplex unit. We consider that the market rent for the units on very high floors with attractive views and the duplex unit, being of special design, can fetch market rents higher than other residential units in the same district. Additionally, while the property is located in the exclusive and secluded area of Happy Valley where property supplies are limited and new properties are rarely developed, travel time to Causeway Bay is still only 10 to 15 minutes. Upward adjustments to the recent lettings have been made to reflect the special merits of these units in arriving at the key assumptions.

We have gathered and analysed various recent sales transactions of residential properties and noted that the yields implied in those transactions are generally in the approximate range of 2% for residential premises.

The capitalisation rate is reasonable having regard to the yields analysed from sales of comparable properties, particularly those of larger sizes, which we have collected. When determining the capitalisation rate, we have taken into account that the property comprises high-end residential units of good quality and is situated at a location much sought after by high income group.

VALUATION CERTIFICATE

Group II – Properties held by the Group for development in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
10. Hopewell Centre II, Kennedy Road, Wan Chai, Hong Kong. Inland Lot No. 8715.	<p>The property comprises a piece of land with a registered site area of about 105,918 sq. ft. (9,840 sq. m.) upon which a 55-storey conference hotel building is proposed to be developed. Upon completion, the property will comprise a shopping mall and a block of office and hotel. The hotel will provide 1,024 guestrooms. The property is scheduled to be completed in 2018.</p> <p>According to the building plans provided by the Group, upon completion, the total gross floor area of the property will be approximately 1,094,343 sq. ft. (101,666.95 sq. m.) The property will also provide 168 private car parking spaces and 14 motor cycle spaces.</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under Conditions of Exchange No. 20175 for a term of 50 years from 24 October 2012. The current Government rent payable for the lot is an amount equal to 3% of the rateable value for the time being of the lot per annum.</p>	Site preparation works are in progress.	<p>HK\$8,945,000,000</p> <p>(100% interest attributable to the Group: HK\$8,945,000,000)</p>

Notes:

- (1) The registered owner of the property is Wetherall Investments Limited which is a wholly-owned subsidiary of the Group.
 (2) The property is subject to a Deed of Grant of Right of Way vide Memorial No. 12110702320022 dated 24 October 2012.
 (3) The breakdown values for different portions of the property are as follows:-

		Attributable capital value in existing state as at 31 March 2013
Hotel Portion	:	HK\$4,621,000,000
The Remaining Portion (ie. retail, office and car parking spaces)	:	HK\$4,324,000,000

- (4) The capital value of the property if completed as at 31 March 2013 is as follows:

		Attributable capital value if completed as at 31 March 2013
Hotel Portion	:	HK\$10,378,000,000
The Remaining Portion (ie. retail, office and car parking spaces)	:	HK\$7,453,000,000
Total	:	HK\$17,831,000,000

The capital value if completed represents our opinion of the aggregate value of the development assuming it were fully completed as at the date of valuation, no allowance for any development cost necessary for carrying out the proposed development has been made in assessing such value.

- (5) The property is zoned for "Other Specified Uses (Comprehensive Redevelopment Area)" use under Wan Chai Outline Zoning Plan No. S/H15/27.
 (6) In our valuation, we have assumed an accommodation value of about HK\$8,170 per sq. ft.
 (7) In undertaking our valuation of the property which is now a piece of vacant land planned for a hotel/commercial complex development, we have made reference to the most recent sales transaction of a government site which is restricted to uses of hotel with ancillary accommodation.

Property	Date of Sale	Site Area	Maximum Gross Floor Area	Sale Price	*Accommodation Value
IL 9020 North Point Estate Lane and Shu Kuk Street	March 2013	57,792 sq. ft.	387,504 sq. ft.	HK\$2,722,000,000	HK\$7,024 p.s.f.

* *Accommodation Value is the value of the sale price analysed on basis of per sq. ft. of the maximum gross floor area and is a common way of analysis of land sale transaction.*

When compared with this comparable site, the property has a distinct advantage of being situated at a more prominent and prime location. It is situated in close proximity to Admiralty and Central and various high quality hotels and convention facilities on Hong Kong Island. Wan Chai is a key business area on Hong Kong Island. It is a district with good accessibility. Various redevelopments of old buildings into new residential and commercial buildings have taken place in recent years. In undertaking our valuation, we have made upward adjustments to the comparable to reflect the advantages enjoyed by the property.

VALUATION CERTIFICATE

Group II – Properties held by the Group for development in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>																																								
11. 200 Queen's Road East Project, Lee Tung Street / McGregor Street, Wan Chai, Hong Kong. Inland Lot No. 9018	<p>The property comprises the development right in respect of two sites situated at Lee Tung Street (Site A) and McGregor Street (Site B). The total registered site area of the property is about 88,652 sq. ft. (8,235.97 sq. m.).</p> <p>The site at Lee Tung Street (Site A) is being developed into three residential towers with 28 to 37 storeys erected upon a commercial/ carpark podium. The site at McGregor Street (Site B) is being developed into a 23-storey residential tower erected upon a commercial podium.</p> <p>According to the building plans provided by the Group, the gross floor areas of the planned development are as follows:</p> <p style="text-align: center;">Planned Gross Floor Area</p> <table style="margin-left: 40px;"> <tr> <td colspan="4">Site A:</td> </tr> <tr> <td></td> <td style="text-align: center;">sq. ft.</td> <td style="text-align: center;">sq. m.</td> <td></td> </tr> <tr> <td>Domestic</td> <td style="text-align: right;">617,494</td> <td style="text-align: right;">(57,366.56)</td> <td></td> </tr> <tr> <td>Non-domestic</td> <td style="text-align: right;">95,022</td> <td style="text-align: right;">(8,827.72)</td> <td></td> </tr> <tr> <td>Public facilities</td> <td style="text-align: right;">2,692</td> <td style="text-align: right;">(250.07)</td> <td></td> </tr> <tr> <td colspan="4">Site B:</td> </tr> <tr> <td></td> <td style="text-align: center;">sq. ft.</td> <td style="text-align: center;">sq. m.</td> <td></td> </tr> <tr> <td>Domestic</td> <td style="text-align: right;">113,806</td> <td style="text-align: right;">(10,572.86)</td> <td></td> </tr> <tr> <td>Non-domestic</td> <td style="text-align: right;">6,257</td> <td style="text-align: right;">(581.29)</td> <td></td> </tr> <tr> <td>Public facilities</td> <td style="text-align: right;">25,170</td> <td style="text-align: right;">(2,338.38)</td> <td></td> </tr> </table>	Site A:					sq. ft.	sq. m.		Domestic	617,494	(57,366.56)		Non-domestic	95,022	(8,827.72)		Public facilities	2,692	(250.07)		Site B:					sq. ft.	sq. m.		Domestic	113,806	(10,572.86)		Non-domestic	6,257	(581.29)		Public facilities	25,170	(2,338.38)		<p>Superstructure works of the property are in progress.</p>	<p style="text-align: right;">HK\$8,835,000,000</p> <p style="text-align: right;">(50% interest attributable to the Group: HK\$4,417,500,000)</p>
Site A:																																											
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Domestic	617,494	(57,366.56)																																									
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Non-domestic	6,257	(581.29)																																									
Public facilities	25,170	(2,338.38)																																									
	<p>The above gross floor areas exclude the area of car parking spaces. The property is scheduled to be completed in 2015.</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under Conditions of Exchange No. 20099 for a term of 50 years from 25 February 2010. The current Government rent payable for the lot is an amount equal to 3% of the rateable value for the time being of the lot per annum.</p>	<p style="text-align: center;">—</p>	<p style="text-align: center;">—</p>																																								

Notes:

- (1) The registered owner of the property is Urban Renewal Authority (“**URA**”). URA entered into a development agreement (the “**Development Agreement**”) with Grand Site Development Limited (“**Grand Site**”), a joint venture project company which is held in equal shares by Linford Investments Limited, an indirect wholly-owned subsidiary of the Group, and a third party for development of the property. According to the information provided by the Group, for the residential portion, the portion of sale proceeds up to HK\$6.2 billion will be totally entitled to Grand Site but the portion of the sale proceeds exceeding HK\$6.2 billion will have to be shared between URA and Grand Site equally. For the commercial portion, the income and sales proceeds derived from the commercial portion will have to be shared between URA and Grand Site at a sharing ratio of 40:60. In the course of our valuation, we have taken into account such profit sharing arrangement.
- (2) The property is subject to a Modification Letter from the District Lands Office/ Hong Kong East vide Memorial No. 11090201480075 dated 29 August 2011.
- (3) As advised by the Group, the construction cost expended up to 31 March 2013 was about HK\$589,000,000. The total estimated construction cost of the property as at 31 March 2013 was about HK\$2,648,000,000.
- (4) The capital value of the property if completed as at 31 March 2013 attributable to Grand Site is about HK\$12,644,000,000 (50% attributable to the Group is about HK\$6,322,000,000). The capital value if completed represents our opinion of the aggregate value of the development assuming it were fully completed as at the date of valuation, no allowance for any development cost necessary for carrying out the proposed development has been made in assessing such value.
- (5) The property is zoned for “Land Development Corporation Development Scheme Plan Area” use under Wan Chai Outline Zoning Plan No. S/H15/27.
- (6) In valuing the property if completed attributable to Grand Site, we have assumed about HK\$17,900 per sq. ft. for the retail portion and about HK\$15,100 per sq. ft. for the residential portion. These rates represent the effective unit value after adjustment for sharing of income and sale proceeds to URA. The unit rate for retail portion is the average of the commercial space on basement, ground and 1st floor of the proposed development.
- (7) In undertaking our valuation of the property if completed, we have made reference to various recent sales transactions of shops at Queen’s Road East and recently completed domestic premises within the same district which have characteristics comparable to the property. On the basis of marketing gross floor area, the prices of those sales transactions of domestic premises range from about HK\$15,500 to HK\$17,500 per sq. ft. The unit rates assumed by us are consistent with the sales transactions of domestic premises within the same district. On the basis of saleable area, the prices of those sales transactions of shops range from about HK\$104,500 per sq. ft. to HK\$113,500 per sq. ft. The unit rates we assumed in our valuation for the respective portions of the property upon completion are consistent with those sales transactions after adjustments for sharing of income/sales proceeds to Urban Renewal Authority. Due adjustments to the unit rates of those sales transactions have been made to reflect those factors like area efficiency, location, floor level, frontages and other relevant factors in arriving at the key assumptions.

VALUATION CERTIFICATE

Group II – Properties held by the Group for development in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
12. Nos. 155, 157 and 159 Queen's Road East, Wan Chai, Hong Kong. Inland Lot Nos. 5251, 5252 and 5253.	<p>The property comprises a block of 6-storey tenement building (Nos. 155 and 157 Queen's Road East) completed in 1959 and a block of 7-storey (including mezzanine floor) tenement building completed in 1968 (No. 159 Queen's Road East).</p> <p>The total saleable area of the property is approximately 8,656 sq. ft. (804.16 sq. m.) plus yard area of approximately 183 sq. ft. (17 sq. m.), flat roof area of approximately 185 sq. ft. (17.19 sq. m.) and roof area of approximately 848 sq. ft. (78.78 sq. m.). In addition, there is a mezzanine floor in the building at No. 159 Queen's Road East with an area of approximately 152 sq. ft. (14.12 sq. m.).</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under three Government Leases all for terms of 999 years from 9 July 1844. The current government rent payable for the property is HK\$44 per annum.</p>	<p>Except for 4 units which are vacant, the property is let to various tenants for terms of mostly 6 months to 1 year with the latest tenancy due to expire in September 2013 at a total rent of about HK\$140,530 per month.</p>	<p>HK\$217,000,000</p> <p>(100% interest attributable to the Group: HK\$217,000,000)</p>

Notes:

(1) The property comprises the followings and the respective registered owners are as follows:-

<u>Property</u>	<u>Registered owners</u>
No. 155 Queen's Road East	
Ground Floor	Onfu Limited, a wholly owned subsidiary of the Group
1st Floor	Pineway Resources Limited, a wholly owned subsidiary of the Group
2nd Floor	Loza Limited, a wholly owned subsidiary of the Group
3rd Floor	Wayco Resources Limited, a wholly owned subsidiary of the Group
4th Floor	Enson Resources Limited, a wholly owned subsidiary of the Group
5th Floor and Roof	Kenetic Limited, a wholly owned subsidiary of the Group
No. 157 Queen's Road East	
Ground Floor	Evergold Venture Limited, a wholly owned subsidiary of the Group
1st Floor	Homark Investment Limited, a wholly owned subsidiary of the Group
2nd Floor	Sanho Investment Limited, a wholly owned subsidiary of the Group
3rd Floor	Rasna Investment Limited, a wholly owned subsidiary of the Group
4th Floor	Kingbon Investment Limited, a wholly owned subsidiary of the Group
5th Floor	Taishing Investment Limited, a wholly owned subsidiary of the Group
No. 159 Queen's Road East	
Ground, Mezzanine Floors and Flat Roof,	Grandam Investment Limited, a wholly owned subsidiary of the Group
1st Floor and Flat Roof	Pona International Limited, a wholly owned subsidiary of the Group
2nd Floor	Pona International Limited, a wholly owned subsidiary of the Group
3rd Floor	Pona International Limited, a wholly owned subsidiary of the Group
4th Floor	Milla Limited, a wholly owned subsidiary of the Group
5th Floor and Roof	Rondon Investment Limited, a wholly owned subsidiary of the Group

- (2) 1st Floor, No. 155 Queen's Road East is subject to an Order No. C/TB/10205/02/HK by the Building Authority under Section 24(1) of the Buildings Ordinance.
- (3) Ground, Mezzanine Floors and Flat Roof, No. 159 Queen's Road East are subject to a Notice No. WNZ/U08-28/0001/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.
- (4) Ground, Mezzanine Floors and Flat Roof, 4/F, 5/F and Roof, No. 159 Queen's Road East are subject to an Order No. UBZ/U08-28/0007/08 by the Building Authority under Section 24(1) of the Buildings Ordinance.
- (5) 4th Floor, No. 159 Queen's Road East is subject to an Order No. UBZ/U08-28/0005/08 by the Building Authority under Section 24(1) of the Buildings Ordinance.
- (6) 5th Floor and Roof, No. 159 Queen's Road East is subject to an Order No. UBZ/U08-28/0006/08 by the Building Authority under Section 24(1) of the Buildings Ordinance.
- (7) The property is zoned for "Residential (Group A)" use under Wan Chai Outline Zoning Plan No. S/H5/27.
- (8) In our valuation, we have assumed about HK\$88,700 per sq. ft. for the retail portion and about HK\$11,600 per sq. ft. for the residential portion.
- (9) In undertaking our valuation of the property, we have made reference to various recent sales transactions of shops at Queen's Road East and low-rise old domestic premises within the same district which have characteristics comparable to the property. The prices of those sales transactions of domestic premises range from about HK\$10,500 per sq. ft. to HK\$13,000 per sq. ft. The unit rates assumed by us are consistent with the sales transactions of domestic premises within the same district. The prices of those sales transactions of shops range from about HK\$104,500 per sq. ft. to HK\$113,500 per sq. ft. Due adjustment to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and frontages in arriving at the key assumptions.

VALUATION CERTIFICATE

Group II – Properties held by the Group for development in Hong Kong

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as at 31 March 2013</u>
<p>13. Various units, Nos. 161, 163, 165 and 167 Queen's Road East, Wan Chai, Hong Kong.</p> <p>Situated on Inland Lot Nos. 7975 and the Remaining Portion of Inland Lot Nos. 5256 and 5257.</p>	<p>The property comprises 32 domestic units, 4 shops units and the external wall of a 10-storey tenement building completed in 1965.</p> <p>The total saleable area of the property is approximately 14,823 sq. ft. (1,377.09 sq. m.) plus yard area of approximately 288 sq. ft. (26.76 sq. m.), flat roof area of approximately 94 sq. ft. (8.73 sq. m.) and roof area of approximately 1,004 sq. ft. (93.27 sq. m.).</p> <p>The locality of the property is characterised by a mixture of commercial and residential developments of various ages.</p> <p>The property is held from the Government under two Government Leases and a Conditions of Exchange No. UB8576 all for terms of 999 years from 9 July 1844. The current government rent payable for the property is HK\$114 per annum.</p>	<p>Except for 10 units which are vacant, the property is let to various tenants for terms of mostly 6 months to 1 year with the latest tenancy due to expire in April 2014 at a total rent of about HK\$162,850 per month.</p>	<p>HK\$325,000,000</p> <p>(100% interest attributable to the Group: HK\$325,000,000)</p>

Notes:

(1) The property comprises the followings and the respective registered owners are as follows:-

<u>Property</u>	<u>Registered owners</u>
Nos. 161-165 Queen's Road East	
Flat A, Ground Floor	Longbo Enterprises Limited, a wholly owned subsidiary of the Group
Flat A, 2nd Floor	Boomtux Investment Limited, a wholly owned subsidiary of the Group
Flat A, 5th Floor	Wedmedia Limited, a wholly owned subsidiary of the Group
Flat A, 6th Floor	Holmax Limited, a wholly owned subsidiary of the Group
Flat A, 7th Floor	Hamper Investment Limited, a wholly owned subsidiary of the Group
Flat A, 8th Floor	Felway Limited, a wholly owned subsidiary of the Group
9th Floor and Main Roof, No. 161 Queen's Road East	
Ground Floor, No. 163 Queen's Road East	Bedo Investment Limited, a wholly owned subsidiary of the Group
Flat B, 1st Floor	Takfull Limited, a wholly owned subsidiary of the Group
Flat B, 2nd Floor	Reca Enterprises Limited, a wholly owned subsidiary of the Group
Flat B, 3rd Floor	Lancool Investment Limited, a wholly owned subsidiary of the Group
Flat B, 4th Floor	Sobon Limited, a wholly owned subsidiary of the Group
Flat B, 5th Floor	Lancool Investment Limited, a wholly owned subsidiary of the Group
Flat B, 6th Floor	UPO Investment Limited, a wholly owned subsidiary of the Group
Flat B, 7th Floor	Luxboy Limited, a wholly owned subsidiary of the Group
Flat B, 8th Floor	Rancorp Limited, a wholly owned subsidiary of the Group
Flat B, 9th Floor & Portion of Main Roofs immediately above	Foxda Limited, a wholly owned subsidiary of the Group
Flat C, Ground Floor	Gokey Limited, a wholly owned subsidiary of the Group
Flat C, 1st Floor	Onwa Venture Limited, a wholly owned subsidiary of the Group
Flat C, 2nd Floor	Skytone Investment Limited, a wholly owned subsidiary of the Group
Flat C, 4th Floor	Tenny Investment Limited, a wholly owned subsidiary of the Group
Flat C, 5th Floor	Contas Investment Limited, a wholly owned subsidiary of the Group
Flat C, 6th Floor	Temfat Limited, a wholly owned subsidiary of the Group
Flat C, 7th Floor	Toycity Investment Limited, a wholly owned subsidiary of the Group
Flat C, 8th Floor	Camays Limited, a wholly owned subsidiary of the Group
Flat C, 9th Floor & Roof	Temfat Limited, a wholly owned subsidiary of the Group
	Yotech Investment Limited, a wholly owned subsidiary of the Group
No. 167 Queen's Road East	
Ground Floor	Grandam Investment Limited, a wholly owned subsidiary of the Group
1st Floor and the Flat Roof adjacent thereto	Dowin Investment Limited, a wholly owned subsidiary of the Group
2nd Floor	Castron Investment Limited, a wholly owned subsidiary of the Group
3rd Floor	UPO Investment Limited, a wholly owned subsidiary of the Group
4th Floor	Miko Resources Limited, a wholly owned subsidiary of the Group
5th Floor	Hamcon Enterprises Limited, a wholly owned subsidiary of the Group
6th Floor	Conkey Investment Limited, a wholly owned subsidiary of the Group
7th Floor	Emron Investment Limited, a wholly owned subsidiary of the Group
8th Floor	Elite Will Enterprises Limited, a wholly owned subsidiary of the Group
9th Floor and the Main Roof over 9th Floor	Kamme Limited, a wholly owned subsidiary of the Group
The Whole of the External Wall on the East Side of Main Entrance	Parkgate Enterprises Limited, a wholly owned subsidiary of the Group
(2) Ground Floor, No. 161 Queen's Road East is subject to a Notice No. WNZ/U08-29/0005/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.	
(3) 9th Floor and Main Roof, No. 161 Queen's Road East are subject to a Notice No. WNZ/U08-29/0001/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.	
(4) Ground Floor, No. 163 Queen's Road East is subject to a Notice No. WNZ/U08-29/0006/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.	
(5) 9th Floor and Portion of Main Roofs immediately above, No. 163 Queen's Road East are subject to a Notice No. WNZ/U08-29/0002/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.	
(6) Ground Floor, No. 165 Queen's Road East is subject to a Notice No. WNZ/U08-29/0007/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.	
(7) Ground Floor, No. 167 Queen's Road East is subject to a Notice No. WNZ/U08-29/0008/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.	

- (8) 9th Floor and the Main Roof over 9/F, No. 167 Queen's Road East are subject to a Notice No. WNZ/U08-29/0004/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance.
- (9) The Whole of the External Wall on the East Side of Main Entrance, No. 167 Queen's Road East is subject to a Superseding Order No. DR02129/HK/03/TCW/HK by the Building Authority under Section 28(3) of the Buildings Ordinance.
- (10) The Whole of the External Wall on the East Side of Main Entrance, No. 167 Queen's Road East is subject to an Order No. UBZ/U08-29/0007/08 by the Building Authority under Section 24(1) of the Buildings Ordinance.
- (11) The property is zoned for "Residential (Group A)" use under Wan Chai Outline Zoning Plan No. S/H5/27.
- (12) In our valuation, we have assumed about HK\$92,400 per sq. ft. for the retail portion and about HK\$11,200 per sq. ft. for the residential portion.
- (13) In undertaking our valuation of the property, we have made reference to various recent sales transactions of shops at Queen's Road East and low-rise old domestic premises within the same district which have characteristics comparable to the property. The prices of those sales transactions of domestic premises range from about HK\$10,500 per sq. ft. to HK\$13,000 per sq. ft. The unit rates assumed by us are consistent with the sales transactions of domestic premises within the same district. The prices of those sales transactions of shops range from about HK\$104,500 per sq. ft. to HK\$113,500 per sq. ft. Due adjustments to the unit rates of those sales transactions have been made to reflect these factors including but not limited to age, location, size and frontages in arriving at the key assumptions.