

REPORT OF THE VALUER

**To the Board of Directors
Hysan Development Company Limited**

Dear Sirs,

Annual revaluation of investment properties as at 31 December 2005

In accordance with your appointment of Knight Frank Hong Kong Limited to value the investment properties in Hong Kong owned by Hysan Development Company Limited and its subsidiaries, we are pleased to advise that the market value of the properties as at 31 December 2005 was in the approximate sum of Hong Kong Dollars Twenty Nine Billion Eight Hundred Fifteen Million Four Hundred and Thirty Thousand Only (i.e. HK\$29,815,430,000).

The properties have been valued individually, on market value basis, by reference to comparable market transactions and on the basis of capitalisation of the net income with due allowance for the reversionary income potential, without allowances for any expenses or taxation which may be incurred in effecting a sale.

Yours faithfully,

KNIGHT FRANK HONG KONG LIMITED

Hong Kong, 23 February 2006