

*The following is the text of a letter and valuation certificates prepared for the purpose of incorporation in this prospectus received from Raine & Horne International Zaki + Partners Sdn. Bhd., an independent valuer, in connection with the valuation of the properties interests held by the Group in Malaysia as at 30 June 2010. A copy of the full valuation report relating to the property interests of the Group in Malaysia in compliance with paragraph 34(2) of Part II of the Third Schedule of Companies Ordinance prepared by Raine & Horne International Zaki + Partners Sdn. Bhd. is made available for public inspection.*

**Raine&Horne** 

Raine & Horne International  
Zaki + Partners Sdn. Bhd.

(Company No. 99440-T)

Perpetual 99, Jalan Raja Muda Abdul Aziz

50300 Kuala Lumpur, Malaysia

Telephone : 03-2698 0911

Fax : 03-2691 1959

Email : rhizpkl@streamyx.com

The Directors  
Kosmopolito Hotels International Limited  
375 Queen's Road East  
Wanchai  
Hong Kong

28 September 2010

Dear Sirs,

**RE: REPORT AND VALUATION OF A THIRTY (30) STOREY 4-STAR HOTEL BUILDING WITH THREE (3) BASEMENT CAR PARKS KNOWN AS DORSETT REGENCY HOTEL BEARING POSTAL ADDRESS DORSETT REGENCY HOTEL, 172, JALAN IMBI, 55100 KUALA LUMPUR;**

**179 ROOM 4 STAR HOTEL SITUATED AT 21ST FLOOR TO 30TH FLOOR AND PART OF THE LOBBY AREA WITHIN A THIRTY THREE (33) STOREY HOTEL & SERVICED APARTMENTS BUILDING KNOWN AS MENARA MAYTOWER BEARING POSTAL ADDRESS NO. 7, JALAN MUNSHI ABDULLAH, 50100 KUALA LUMPUR;**

**252 ROOM 3 STAR HOTEL AND PART OF THE LOBBY AREA WITHIN A TEN (10) STOREY HOTEL/SERVICE APARTMENT BUILDING KNOWN AS DORSETT JOHOR HOTEL, MALAYSIA;**

**A 5-STAR HOTEL BUILDING CONSISTING OF THREE (3) STOREY PODIUM WITH EIGHT (8) STOREY AND FOURTEEN (14) STOREY HOTEL TOWERS AS WELL AS A DOUBLE STOREY RESTAURANT AND FOUR (4) STOREY CAR PARKS BUILDING KNOWN AS GRAND DORSETT SUBANG HOTEL, MALAYSIA;**

**A NINE (9) STOREY 5-STAR HOTEL BUILDING (178 ROOMS) WITH A SEMI-BASEMENT CAR PARKS KNOWN AS GRAND DORSETT LABUAN HOTEL, MALAYSIA.**

### 1. INSTRUCTION

In pursuance to the instruction for us to carry out market valuations of the above captioned properties held by Kosmopolito Hotels International Limited (the "Company") and its subsidiaries (together referred to as the "Group" situated in Malaysia, we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the market value ("Market Value") of the properties as at 30 June 2010 (referred to as the "valuation date").

### 2. BASIS OF VALUATION

Our basis of valuation is our opinion of the Market Value which in accordance with the Valuation Standards on Properties of 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".

### 3. METHOD OF VALUATION

In arriving at the Market Value of the subject properties, we have adopted as our main approach, the **Comparison Method of Valuation**.

This method of valuation seeks to determine the value of the properties being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

### 4. ASSUMPTIONS

Our valuation also has been made on the assumption that the properties can be sold on the open market without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the properties.

We have assumed that all consent, approvals and licenses from relevant government for rights to use and occupy the properties have been granted and in good validation status.

We have also assumed that the subject properties can be freely transferred and leased without any additional land premium or substantial costs payable to the relevant government.

In valuing the properties, 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) issued by the Hong Kong Institute of Surveyors.

**5. TITLE INVESTIGATION**

We have been provided with extracts of title documents relating to the properties. In addition, we have caused searches to be made at the appropriate government registries of properties. However, we have not searched the original documents to verify ownership nor to verify the existence of any lease amendments which do not appear on the copies handed to us. All documents have been used for reference only and no responsibility regarding title to the properties is assumed in this report.

**6. LIMITING CONDITIONS**

We have carried out inspection of the properties; however, we have not carried out site investigation to determine the suitability of the ground condition or the services provided. All dimensions, measurements and arrears are based on information supplied by the Client and where possible, they will be verified by us by reference to the copies of documents made available to us.

While due care is taken to note building defects in the course of inspection no structural survey is made nor any inspection of woodwork or other parts of the structure which are covered or inaccessible and we are therefore unable to report that such part of the properties are free of hidden defects or concealed infestation.

We have relied to a considerable extent on the information provided by the Client and have accepted advice given to us on matters such as statutory notices, tenure, occupancy, site and floor areas and in identification of the properties.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Client. We have relied on the client's confirmation that no material facts have been omitted from the information supplied.

No allowance has been made in our valuation for any charge, mortgage or amount owing on any properties interest nor expense or taxation which may incurred in effecting a sale. We have assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their value.

**7. CURRENCY**

The Market Values of all the subject properties are stated in Ringgit Malaysia. The exchange rate adopted in our valuation is RM1= HK\$2.39, which was the approximate prevailing exchange rates as at the date of valuation.

**8. REMARKS**

The properties' interests have been valued as follows:–

<b>Properties' Interests</b>	<b>Market Values as at 30 June 2010</b>
1. <b>DORSETT REGENCY HOTEL KUALA LUMPUR</b> 172, Jalan Imbi, 55100 Kuala Lumpur	RM140,000,000.00
2. <b>MAYTOWER HOTEL</b> No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur	RM77,000,000.00
3. <b>DORSETT JOHOR HOTEL</b> Mukim of Plentong, District of Johor Bahru, State of Johor.	RM76,000,000.00
4. <b>GRAND DORSETT SUBANG HOTEL</b> Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan	RM253,557,000.00 **RM312,000,000.00
5. <b>GRAND DORSETT LABUAN HOTEL</b> No. 462, Jalan Merdeka, 87029 Federal Territory of Labuan.	RM70,000,000.00
<b>TOTAL MARKET VALUE</b>	
i) On 'as is' basis	RM616,557,000.00
ii) <b>** ON THE ASSUMPTION THAT THE PROPOSED 125 ADDITIONAL ROOMS LOCATED ON THIRTEENTH TO SEVENTEENTH FLOORS ARE FULLY COMPLETED AND CERTIFIED FIT FOR OCCUPANCY AND THENCE THE GRAND DORSETT SUBANG HOTEL (478 ROOMS) TOGETHER WITH THE EXCESS LAND (6.41 ACRES) WHICH HAS A DEVELOPMENT PROPOSAL AND IS SUBMITTED FOR APPROVAL TO THE RELEVANT AUTHORITY</b>	<b>RM675,000,000.00</b>
<b>"IF ANY PARTY WISHES TO RELY ON THE ASSUMPTION STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTION THAT IS NOT YET OR FULLY REALISED".</b>	

We enclosed herewith our summary of valuation and valuation certificates.

Yours faithfully,  
For and on behalf of  
**Raine & Horne International Zaki + Partners Sdn. Bhd.**  
**Noraini Binti Jaafar Sidek**  
*Registered Valuer (MIS)*  
*Reg. No. V-523*  
*Director*

---

Note:

Noraini Binti Jaafar Sidek is a Member of the Malaysia Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate agent in Malaysia, has over 18 years experience in valuation properties in Malaysia for listed companies.

## VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Market Value in existing state as at 30 June 2010
1. A 320 room thirty (30) storey 4-star hotel building with three (3) level of basement car parks bearing postal address Dorsett Regency Hotel Kuala Lumpur. 172, Jalan Imbi, 55100 Kuala Lumpur.	<p>Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property.</p> <p>Site Area: 1,270 sq. metres (13,670 sq. ft.)</p> <p>The total gross floor area of the building is about 27,752.58 sq. metres (298,726. sq. ft.).</p> <p>The approximate age of the hotel building is 13 years.</p> <p>The land is of freehold interest and to be used for commercial building only.</p> <p>The land is held under Lot No. 1300 Seksyen 0067 (formerly known as P.T. No. 62) held under Title No. GRN 49963, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur</p> <p>Annual government rent is RM5,842.00.</p>	<p>The subject property is currently managed by the owner, Dorsett Regency Hotel (M) Sdn. Bhd.</p> <p>The occupancy rate of the subject property is about 79%.</p>	RM140,000,000.00

## Notes:

- (i) The ownership of the property is Dorsett Regency Hotel (M) Sdn. Bhd. (Company No:199686-K).
- (ii) The land is currently charged to AFFIN ISLAMIC BANK BHD. dated 17 July 2006.
- (iii) A lienholder's caveat has been entered by AFFIN ISLAMIC BANK BERHAD on the land dated 23 January 2007.
- (iv) Part of the land (360 sq. ft.) has been leased to Tenaga Nasional Berhad for 30 years commencing from 8/2/2000 until 7/2/2030 for the purposes of substation.
- (v) The property is situated within an area zoned for commercial use.
- (vi) The status of the title and licenses in accordance with the information provided by the Group are summarised as follows:

Certificate of Real Estate Ownership	Yes
Business License	Yes

## VALUATION CERTIFICATE

Properties	Description and tenure	Details of occupancy	Market Value in existing state as at 30 June 2010	
2.	<p>179 room 4-star hotel situated at 21st Floor to 30th Floor and part of the lobby area within 33 storey hotel &amp; serviced residences building bearing postal address Menara Maytower, No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur.</p> <p>The subject property is sited fronting Jalan Munshi Abdullah, Kuala Lumpur</p>	<p>Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property.</p> <p>Site Area: 2,162 sq. metres (23,271.55 sq. ft.)</p> <p>Hotel Floor Area: 5,158.17 sq. metres (55,522 sq. ft.)</p> <p>Lobby Area: 465 sq. metres (5,007 sq. ft.)</p> <p>The approximate age of the hotel building is 3 years.</p> <p>The land is of freehold interest and to be used for constructing serviced apartment building including residences/shops/club house which are to be constructed in accordance with plans approved by the Local Authorities.</p> <p>The land is held under Lot No. 301 Seksyen 40 held under Title No. GRN 54118, Town and District of Kuala Lumpur, State of Wilayah Persekutuan KL</p> <p>Annual government rent is RM9,946.00.</p>	<p>The subject property is currently managed by Venue Summit Sdn. Bhd.</p> <p>The occupancy rate of the subject property is about 76%.</p>	RM77,000,000.00
Notes:				
(i)	The master title of the property is registered under Mayland Boulevard Sdn. Bhd. (Company No:180306M). The subdivided title for the Hotel has yet to be issued.			
(ii)	The land is free from encumbrances except for the Registrar's Caveats.			
(iii)	Three (3) Registrar's Caveats have been entered on the titles.			
(iv)	The property is situated within an area zoned for commercial use.			
(v)	Venue Summit Sdn. Bhd. is a limited liability company incorporated in Malaysia on 7 April 2006 which is 100% owned by the group.			
(vi)	The status of the title and licenses in accordance with the information provided by the Group are summarised as follows:			
	Certificate of Real Estate Ownership		Yes	
	Business License		Yes	

## VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Market Value in existing state as at 30 June 2010
3. 252 room 3-star hotel and part of the lobby area within a ten (10) storey hotel/service apartment building known as Dorsett Johor Hotel, Malaysia.	<p>Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property.</p> <p>Site area:56,723 sq. metres (610,561.3 sq. ft.)</p>	<p>The subject property is currently managed by Success Range Sdn. Bhd.</p> <p>The average occupancy rate is 75%.</p>	RM76,000,000.00
The subject property is sited off the south-western side of Lebuhraya Pasir Gudang and alongside Jalan Masai Baru, Johor Bahru.	<p>Built Site Area: 4,370 sq. metres (47,038.24 sq. ft.)</p> <p>Hotel Floor Area: 8,804.06 sq. metres (94,766.00 sq. ft.)</p> <p>The approximate age of the hotel building is 5 years.</p> <p>The land is of freehold interest and for the purposes of constructing serviced apartment building including residences/shops/club house which are to be constructed in accordance with plans approved by the Local Authorities.</p> <p>The land is held under Master Lot No. 66270 (formerly PTD No. 101375) held under Title No. GRN 358714 (formerly H.S. (D) 22751), Mukim of Plentong, District of Johor Bahru, State of Johor.</p> <p>Annual government rent is RM238,560.00.</p>		
Notes:			
(i) The master title of the property is registered under Mayland Projects (Johor) Sdn. Bhd. (Company No. 478695-T). The subdivided title for the Hotel is yet to be issued.			
(ii) The land is free from encumbrances.			
(iii) The property is situated within an area zoned for commercial use.			
(iv) Success Range Sdn. Bhd. is a limited liability company incorporated in Malaysia on 18th April 2006 which is 100% owned by the group.			
(v) The status of the title and licenses in accordance with the information provided by the Group are summarised as follows:			
Certificate of Real Estate Ownership			Yes
Business License			Yes



## VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Market Value in existing state as at 30 June 2010
4. A 5-star hotel building consisting of three (3) storey podium with eight (8) storey and fourteen (14) storey hotel towers as well as a double storey restaurant and four (4) storey car parks building bearing postal address Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan	<p>Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property.</p> <p>Site Areas: Lot 4244 : 19,474 sq. metres (209,616 sq. ft.)</p> <p>Lot 4245 : 18,308 sq. metres (197,065 sq. ft.)</p> <p>The total gross floor area of the building is about 43,264.10 sq. metres (465,691 sq. ft.) with an existing 353 rooms and ON THE ASSUMPTION 478 rooms.</p> <p>The approximate age of the hotel building is 13 years.</p> <p>The land is of freehold interest and to be used for commercial buildings only.</p> <p>The land is held under Lot Nos. 4244 and 4245 held under Title Nos. GRN 38842 and 38843, Mukim of Damansara, District of Petaling, State of Selangor</p> <p>Annual government rent:- Lot 4244 : RM38,734.00</p> <p>Lot 4245 : RM36,415.00</p>	<p>The subject property is currently managed by owner, Subang Jaya Hotel Development Sdn. Bhd.</p> <p>The occupancy rate of the subject property is about 60%.</p> <p>The hotel is under internal renovation.</p>	<p>RM253,557,000.00</p> <p><b>**RM312,000,000.00</b></p>

## Notes:

**\*\* ON THE ASSUMPTION THAT THE PROPOSED 125 ADDITIONAL ROOMS LOCATED ON THIRTEENTH TO SEVENTEENTH FLOORS ARE FULLY COMPLETED AND CERTIFIED FIT FOR OCCUPANCY AND THENCE THE HOTEL (478 ROOMS) TOGETHER WITH THE EXCESS LAND (6.41 ACRES) WHICH HAS A DEVELOPMENT PROPOSAL AND IS SUBMITTED FOR APPROVAL TO THE RELEVANT AUTHORITY.**

**"IF ANY PARTY WISHES TO RELY ON THE ASSUMPTION STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTION THAT IS NOT YET OR FULLY REALISED".**

- (i) The ownership of the property is Subang Jaya Hotel Development Sdn. Bhd. (Company No. 44190-A).
- (ii) Both the lands are charged to AFFIN BANK BERHAD dated 28 March 2008.
- (iii) Lot No 4245

The land is partly leased to TENAGA NASIONAL BERHAD for 30 years from 1 February 1987 and expiring on 31 January 2017.

- (iv) The property is situated within an area zoned for commercial use.
- (v) The status of the title and licences in accordance with the information provided by the Group are summarised as follows:

Certificate of Real Estate Ownership	Yes
Business License	Yes

## VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Market Value in existing state as at 30 June 2010
5. A nine (9) storey 5-Star hotel building (178 rooms) with a semi-basement car park bearing postal address Grand Dorsett Labuan Hotel, No. 462, Jalan Merdeka, 87029 Federal Territory of Labuan.	<p>Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property.</p> <p>Site Areas: 6,071 sq. metres (65,324 sq. ft.)</p> <p>The total gross floor area of the building is about 21,564.98 sq. metres (232,124 sq. ft.) with a total of 178 rooms.</p> <p>The approximate age of the hotel building is 14 years.</p> <p>The land is of 99 years leasehold interest expiring on 31 December 2090. The unexpired term of the lease is approximately 80 years and to be used for the purpose of a hotel.</p> <p>The land is held under Title No. TL 207531888, Town of Labuan, State of Federal Territory Labuan.</p> <p>Annual government rent:- RM12,141.00</p>	<p>The subject property is currently managed by owner, Merlin Labuan Sdn. Bhd.</p> <p>The occupancy rate of the subject property is about 76%.</p>	RM70,000,000.00

## Notes:

- (i) The ownership of the property is Merlin Labuan Sdn. Bhd. (Company No. 109695-U).
- (ii) The land is free from encumbrances.
- (iii) The property is situated within an area zoned for commercial use.
- (iv) The status of the title and licenses in accordance with the information provided by the Group are summarised as follows:

Certificate of Real Estate Ownership	Yes
Business License	Yes