

11 April 2011

Hui Xian Asset Management Limited
(as manager of Hui Xian Real Estate Investment Trust)
Unit 1203, 12/F
Cheung Kong Center
2 Queen's Road Central
Hong Kong

DB Trustees (Hong Kong) Limited
(as trustee of Hui Xian Real Estate Investment Trust)
52/F, International Commerce Centre,
1 Austin Road West, Kowloon, Hong Kong

CITIC Securities Corporate Finance (HK) Limited
26/F CITIC Tower, 1 Tim Mei Ave,
Central, Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central, Hong Kong

BOCI Asia Limited
26/F Bank of China Tower,
1 Garden Road, Hong Kong

Dear Sirs,

RE: Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China (中華人民共和國北京市東城區東長安街1號東方廣場)

In accordance with the instructions of Hui Xian Asset Management Limited (as Manager of Hui Xian Real Estate Investment Trust) (the "Manager") for us to value the captioned property (the "Property") situated in the People Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 January 2011 (the "date of valuation").

This letter that forms part of our valuation report explains the basis and methodology of valuation and clarifies our assumptions made on the ownership of the property interests and the limiting conditions.

BASIS OF VALUATION

Our valuation is our opinion of the market value which is defined in accordance with the HKIS Valuation Standards on Properties of the Hong Kong Institute of Surveyors to mean "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".

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value. The value of a property is also estimated without regard to costs of sales and purchase, and without offset for any associated taxes.

VALUATION METHODOLOGY

We have valued the Property with reference to the tenancy schedules and hotel operating statement provided to us and, where appropriate, by reference to sales evidence as available on the market.

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties. In the course of our valuation, we have considered various valuation methodologies and have principally adopted the Income Capitalisation Approach and cross-checked by the Direct Comparison Approach. For the purpose of this valuation, we consider that the Income Capitalisation Approach is a reasonable, and the appropriate, valuation methodology to adopt for assessing the market value of the Property. It is particularly relevant for the valuation of well established income-producing properties that can be expected to have relatively stabilised income streams in the future as it can reflect prevailing economic and investment market conditions, the existing tenancy profile (including, without limitation, the existing rental income and occupancy level, tenancy commencement and expiry profiles, and tenancy duration) and the period of the unexpired term of the land use rights of the Property. We have taken into account the current capital expenditure plan stated in the Building Condition Survey Summary Report and have assumed that there is no significant deviation from the said plan and as such no significant capital expenditure will be incurred by the owner of the Property in the 10 years forecast period stated in the Building Condition Survey Summary Report. We have conducted no sensitivity analysis on the said capital expenditure plan as it mainly relates to the maintenance and renovation of the Property.

The Income Capitalisation Approach is a valuation method commonly applied for investment properties. For retail, office, serviced apartment and basement portions of the Property, the rental income derived from the existing tenancies are capitalised for their respective unexpired terms of the contractual tenancies while vacant units are assumed to be let at their respective market rents at the date of valuation. Upon expiry of the existing tenancies, each unit is assumed to be let at its current market rent as at the date of valuation, which is then capitalised for the remaining term of the land use rights of the Property. The sum of the capitalised value of the term income, the reversionary income as appropriately deferred and the vacant units provides the market value of the Property.

The key value drivers of the Income Capitalisation Approach are the market rent and the capitalisation rate. The market rent is mainly estimated with reference to the new lettings and/or renewals of the Property. According to the tenancy information provided by Beijing Oriental Plaza Co., Ltd ("BOP"), the average monthly contracted rentals per leased Rentable Area of new lettings and/or renewals of the Property in the six months preceding the date of valuation were about RMB1,249 per sq.m. for the retail portion and RMB186 per sq.m. for office portion. The capitalisation rates 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, and our experience in valuing other similar properties. The adopted capitalisation rates for the retail and office portions are 6.0% and 5.5% respectively. The capitalisation rates are applied to capitalise the rental income generated for the unexpired term of the land use rights of the property until April 2049. No value has been ascribed to any estimated market rent or any form of income beyond the expiry date of the land use rights.

For the hotel portion of the Property, we have capitalised the income generated from operating the hotel after deducting the operating and non-operating expenses. The income and expenses are estimated with regard to the latest hotel operating results and the budget provided by BOP and the changes in market conditions.

For cross-checking purposes, we have also adopted the Direct Comparison Approach by making reference to comparable sales evidence of properties with similar characteristics as available in the relevant market. There is, however, a lack of en-bloc transactions in the vicinity. Comparison can only be made with reference to individual strata-title property transactions in the locality.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the property interests situated in the PRC. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by BOP (as owner of the Property) and the PRC legal opinion given by the Manager's PRC legal adviser on the PRC law regarding title to the Property.

All legal documents disclosed in this letter and valuation certificates are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this letter and valuation certificates.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property interests on the market in their existing state 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 property interests. In addition, no forced sale situation in any matter is assumed in our valuation.

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

It is assumed that all applicable zoning, land use regulations and other restrictions have been complied with unless a non-conformity has been stated, defined and considered in the valuation certificates. Further, it is assumed that the utilisation of the land and improvements is within the boundaries of the property interests described and that no encroachment or trespass exists unless noted in the valuation certificates.

Other special assumptions and qualifications for each portion of the Property, if any, have been stated in the footnotes of the valuation certificates for the Property.

LIMITING CONDITIONS

We have relied to a very considerable extent on the information provided by BOP and Commerce and Finance Law Offices on PRC law and have accepted advice given to us on such matters as statutory notices, easements, tenure, particulars of occupancy, site areas and floor areas and all other relevant matters. We have not carried out on-site measurements to verify the areas of the Property and assume the areas contained in the documents provided to us are correct.

We have no reason to doubt the truth and accuracy of the information as provided to us by BOP and Commerce and Finance Law Offices on PRC law. We have also been advised by BOP that no material facts have been omitted from the information so supplied. We consider we have been provided with sufficient information to reach an informed view.

We have inspected the exterior and, where possible, the interior of the Property included in the attached valuation certificates. However, no structural survey has been made and we are therefore unable to report as to whether the Property is or is not free of rot, infestation or any other structural defects. No tests were carried out on any of the services. According to the Building Condition Survey Summary Report prepared by the Savills Project Consultancy Limited provided to us by the Manager, the Property is structurally safe and are maintained in good condition.

We have not carried out investigations on site to determine the suitability of ground conditions and services for the Property, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory.

REMARKS

Our valuation is prepared in accordance with Chapter 6.8 of the Code on Real Estate Investment Trust issued by the Securities and Futures Commission and the "HKIS Valuation Standards on Properties (First Edition 2005)" published by The Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

We enclose herewith our valuation certificates and market overview.

Yours faithfully,

For and on behalf of

AMERICAN APPRAISAL CHINA LIMITED

Eric M. H. Poon

MRICS, MHKIS

Assistant Vice President

Note: Mr. Eric Poon, who is a Chartered Valuation Surveyor, has over 10 years experience in valuation of properties in Hong Kong and the PRC.

VALUATION OF ORIENTAL PLAZA

Valuation Abstract

Property Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China

(中華人民共和國北京市東城區東長安街1號東方廣場)

Description The Property is a mixed use commercial complex comprising a shopping mall, 8 blocks of office towers, 2 blocks of serviced apartments, a 5-star hotel, car parking spaces and other ancillary facilities

Site Area 109,924.1 sq.m.^{Note 1}

Note 1: The site area of the Property is of 77,594.81 square metres under the relevant State-owned Land Use Certificate below and the planned land use area of the Property is of 109,924.1 square metres under the relevant Appendix of Construction Land Use Planning Permit below.

Registered Owner Beijing Oriental Plaza Co., Ltd. ("BOP")

Gross Floor Area According to the information provided by BOP, the breakdown of gross floor area (GFA) is as follow:

<u>Uses</u>	<u>GFA (sq.m.) (approx.)</u>
Retail	130,195
Office	309,552
Serviced Apartment	81,603
Hotel	125,420
Basement (Levels P1 to P4)	116,712 ^{Note 2}
Total:	<u>763,482</u> ^{Note 3}

Note 2: The above GFA of the basement does not include the area of civil defence shelter of about 24,474 square metres.

Note 3: Pursuant to the relevant Building Ownership Certificate below, the total gross floor area of the Property is 763,480.35 square metres (exclusive of 24,474 sq.m. of civil defence shelter).

Rentable Area According to the information provided by BOP, the breakdown of rentable area is as follows:

<u>Uses</u>	<u>Rentable Area (sq.m.) (approx.)</u>
Retail	74,037
Office	298,361
Serviced Apartment	81,098
Total:	<u>453,496</u>

State-owned Land Use Certificate Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳臺國用(2006出)第10128號)

APPENDIX V**INDEPENDENT PROPERTY VALUER'S VALUATION REPORT**

Building Ownership Certificate Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283
(京房權證市東港澳臺字第10283號)

Appendix of Construction Land Use 2000-Gui Di Zi-0008 (2000-規地字-0008)
Planning Permit

Date of Valuation 31 January 2011

Valuation Methodology Income Capitalisation Approach and Direct Comparison Approach

Capital Value in Existing State	<u>Uses</u>	<u>Capital Value in Existing State (RMB)</u>
	Retail	13,580,000,000
	Office	11,310,000,000
	Serviced Apartment	2,310,000,000
	Hotel	3,920,000,000
	Basement (Level P1 to P4)	290,000,000
	Total:	<u>31,410,000,000</u>

The Property mainly comprises retail, office, serviced apartment, hotel and basement (levels P1 to P4) portions. In the following sections, each portion of the Property is described separately in details.

Valuation Certificate

Retail Portion – The Shopping Mall

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Estimated net property yield (approx.)</u>	<u>Capital Value in Existing State as at 31 January 2011 (RMB)</u>
The retail portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	<p>The Property is a comprehensive development comprising a shopping mall, eight office towers, two serviced apartment towers, a hotel and about 1,900 car parking spaces including loading/unloading spaces.</p> <p>The retail portion mainly comprises portion of podium level, 1-upper ground level, 1-lower ground level and portion of the basement P1 level with a total gross floor area of approximately 130,195 square metres. The total rentable area is approximately 74,037 square metres. The retail portion was completed in 2000.</p> <p>The retail portion is held by Beijing Oriental Plaza Co., Ltd. for a term to be expired on 21 April 2049.</p>	<p>The retail portion of the Property is let under various tenancies for various terms with the latest expiring on 31 March 2017, yielding a total monthly rental income of about RMB58,511,844 exclusive of management fee and utility charges. Most of the tenancies do not contain rent review clauses and/ or options to renew for further terms at the then market rents.</p> <p>Various advertising spaces are let under various agreements for terms of about 10 months to 3 years with the latest expiry date in December 2012, yielding an average monthly income of approximately RMB990,000 for the period between February 2010 to January 2011.</p> <p>The occupancy rate of the retail portion of the Property as at 31 January 2011 is about 100%.</p>	5.0%	13,580,000,000

Notes:

- (1) Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳臺國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated 26 June 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司) ("BOP") for a term expiring on 21 April 2049 for composite use.

- (2) Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated 10 January 2000, the total land area is 109,924.1 square metres, in which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project, and about 15,300 square metres of land is to be resumed for city road use.
- (3) Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳臺字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 9 December 2005, the building ownership rights with gross floor area of 763,480.35 square metres are held by BOP.
- (4) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0001 (京東他項(2009出)第0001號) issued by Land Resources and Housing Administration Bureau of Beijing City (北京市國土資源和房屋管理局) dated 8 January 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (5) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0022 (京東他項(2009出)第0022號) issued by Land Resources Bureau of Beijing City (北京市國土資源局) dated 27 May 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (6) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Shi Gang Ao Tai Zi Di No.008266 (X 京房他證市港澳臺字第008266號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 6 January 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (7) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Dong Zi Di No.002681 (X 京房他證東字第002681號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 27 April 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (8) In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the property.
- (9) The rentals reported herein are contractual rentals without taking into account rent free periods and turnover rent, if any. The average monthly turnover rent income is approximately RMB2,200,000 for the period between February 2010 and January 2011.
- (10) The estimated net property yield of the retail portion is based on the said monthly rental income of the retail portion for January 2011 and average monthly income from both advertising spaces and turnover rent after allowing business tax and real estate tax provided by BOP.
- (11) Based on the tenancy information provided by the Manager, our analysis of the existing tenancy profile (excluding advertising spaces and turnover rent) is set out below:

Occupancy Profile

Type	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)
Leased	74,037	100.0
Vacant	0	0.0
Total	74,037	100.0

Tenancy Commencement Profile

Year	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)	Monthly Rental (RMB) ^{Note 2} (approx.)	% of total (approx.)	No. of Tenancies ^{Note 3}	% of total (approx.)
2001	3,237	4.4	302,629	0.5	3	1.1
2002	1,686	2.3	256,741	0.4	1	0.4
2003	3,727	5.0	812,394	1.4	2	0.7
2004	2,358	3.2	396,100	0.7	2	0.7
2005	0	0.0	0	0.0	0	0.0
2006	3,976	5.4	3,008,200	5.1	11	3.8
2007	10,236	13.8	7,737,800	13.2	17	5.9
2008	6,366	8.6	4,331,200	7.4	16	5.6
2009	21,406	28.9	20,222,000	34.6	85	29.7
2010	17,389	23.5	18,541,432	31.7	129	45.1
2011	3,656	4.9	2,903,348	5.0	20	7.0
Total	74,037	100.0	58,511,844	100.0	286	100.0

Tenancy Expiry Profile

Year	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)	Monthly Rental (RMB) ^{Note 2} (approx.)	% of total (approx.)	No. of Tenancies ^{Note 3}	% of total (approx.)
2011	13,273	17.9	12,423,489	21.2	76	26.6
2012	23,701	32.0	22,442,213	38.4	110	38.5
2013	13,168	17.8	13,076,823	22.4	73	25.5
2014	11,939	16.1	6,694,048	11.4	12	4.2
2015	7,686	10.4	3,334,100	5.7	11	3.8
2016	3,272	4.4	427,971	0.7	3	1.0
2017	998	1.4	113,200	0.2	1	0.4
Total	74,037	100.0	58,511,844	100.0	286	100.0

Tenancy Duration Profile

Year	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)	Monthly Rental (RMB) ^{Note 2} (approx.)	% of total (approx.)	No. of Tenancies ^{Note 3}	% of total (approx.)
Up to 1 year	364	0.5	115,510	0.2	6	2.1
More than 1 year and up to 2 years	6,896	9.3	8,445,499	14.4	73	25.5
More than 2 years and up to 3 years	17,234	23.3	20,874,323	35.7	109	38.1
More than 3 years and up to 4 years	10,002	13.5	8,684,848	14.8	37	12.9
More than 4 years and up to 5 years	10,709	14.5	7,019,200	12.0	30	10.5
More than 5 years and up to 6 years	10,472	14.1	8,524,300	14.6	15	5.2
More than 6 years and up to 7 years	6,497	8.8	2,858,600	4.9	6	2.1
More than 7 years and up to 8 years	3,604	4.9	876,121	1.5	3	1.1
More than 8 years and up to 9 years	0	0.0	0	0.0	0	0.0
More than 9 years and up to 10 years	3,563	4.8	588,831	1.0	3	1.1
More than 10 years	4,696	6.3	524,612	0.9	4	1.4
Total	74,037	100.0	58,511,844	100.0	286	100.0

Note 1: As at the date of valuation, the total leased rentable area of about 74,037 square metres includes an area of about 192 square metres for a tenancy with lease term not yet commenced and an area of about 73,845 square metres for tenancies with lease terms already commenced.

Note 2: As at the date of valuation, the total monthly rental only includes the monthly rental receivable from tenancies with lease terms already commenced and excludes the monthly rental receivable from tenancies with lease term not yet commenced, amounting to about RMB67,100 per month.

Note 3: As at the date of valuation, there were 286 tenancies, of which 285 tenancies are with lease terms already commenced and one tenancy is with lease term not yet commenced.

(12) We have noted from the market the strata-title transactions and asking retail properties with details as follows:

Property	Location	Completion Date (approx.)	Type of transaction	Date of transaction/offer	Price (RMB/sq.m. on gross) (approx.)
Gong San Plaza (Retail portion)	Chaoyang District	Expected 2011	Asking	Q4 2010	Level 1: 180,000 - 190,000 (average) Level 2: 90,000 (average)
Chaoyang Men Soho	Dongcheng District	2009	Asking	Q3 2010	Level 1: 120,000 to 130,000 (average)
Galaxy Soho	Dongcheng District	Expected 2012	Transaction noted from the market	Mid 2010	Basement L1: 130,000 to 180,000 Basement L2: 80,000 (average)

Note: We are not the transaction parties nor are we the professional advisor in the above transactions. We are unable to verify or obtain direct confirmation of the above information and we make no guarantee, warranty or representation about it, which is for reference purpose only.

Valuation Certificate

Office Portion – East Office Towers, West Office Towers and Central Office Towers

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Estimated net property yield (approx.)</u>	<u>Capital Value in Existing State as at 31 January 2011 (RMB)</u>
The office portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	<p>The Property is a comprehensive development comprising of a shopping mall, eight office towers, two serviced apartment towers, a hotel and about 1,900 car parking spaces including loading/unloading spaces.</p> <p>The office portion comprises five blocks of 12-storey office towers and three blocks of 18-storey office towers with a total gross floor area of approximately 309,552 square metres. The total rentable area is approximately 298,361 square metres. The office portion was completed between 2000 and 2001.</p> <p>The office portion is held by Beijing Oriental Plaza Co., Ltd. for a term to be expired on 21 April 2049.</p>	<p>The office portion of the Property is let under various tenancies for various terms with the latest expiring on 31 July 2015, yielding a total monthly rental income of about RMB49,031,273 exclusive of management fee and utility charges. Most of the tenancies do not contain rent review clauses and/ or options to renew for further terms at the then market rents.</p> <p>Various naming rights are let under various agreements for terms of 5.75 to 6 years with the latest expiry date in May 2014, yielding an average monthly rental of approximately RMB196,000 for the period between February 2010 to January 2011.</p> <p>The occupancy rate of the office portion of the Property as at 31 January 2011 was about 96.2%.</p>	4.5%	11,310,000,000

Notes:

- (1) Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳臺國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated 26 June 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司) for a term expiring on 21 April 2049 for composite use.
- (2) Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated 10 January 2000, the total land area is 109,924.1 square metres, of which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project, and about 15,300 square metres of land is to be resumed for city road use.

- (3) Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳臺字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 9 December 2005, the building ownership rights with gross floor area of 763,480.35 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司).
- (4) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0001 (京東他項(2009出)第0001號) issued by the Land Resources and Housing Administration Bureau of Beijing City (北京市國土資源和房屋管理局) dated 8 January 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
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- (6) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Shi Gang Ao Tai Zi Di No.008266 (X 京房他證市港澳臺字第008266號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 6 January 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (7) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Dong Zi Di No.002681 (X 京房他證東字第002681號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 27 April 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (8) In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for repairs of main building structure and the tenant is responsible for the maintenance of internal non-structural repairs of the property.
- (9) The rentals reported herein are contractual rentals without taking into account rent free periods, if any.
- (10) The estimated net property yield of the office portion is based on the said monthly rental income of the office portion for January 2011 and average monthly income from naming rights after allowing business tax and real estate tax provided by BOP.
- (11) Based on the tenancy information provided by the Manager, our analysis of the existing tenancy profile (excluding naming rights) is set out below:

Occupancy Profile

Type	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)
Leased	287,047	96.2
Self-Used	4,609	1.6
Vacant	6,705	2.2
Total	298,361	100.0

Tenancy Commencement Profile

Year	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)	Monthly Rental (RMB) ^{Note 2} (approx.)	% of total (approx.)	No. of Tenancies ^{Note 3}	% of total (approx.)
2002	5,048	1.8	950,904	2.0	2	0.3
2003	—	0.0	—	0.0	—	0.0
2004	—	0.0	—	0.0	—	0.0
2005	6,971	2.4	1,233,079	2.5	10	1.7
2006	2,612	0.9	446,942	0.9	7	1.2
2007	20,937	7.3	3,906,918	8.0	19	3.1
2008	35,949	12.5	6,654,810	13.6	55	9.1
2009	83,295	29.0	14,822,778	30.2	198	32.7
2010	117,138	40.8	19,580,444	39.9	264	43.6
2011	15,097	5.3	1,435,398	2.9	50	8.3
Total	287,047	100.0	49,031,273	100.0	605	100.0

Tenancy Expiry Profile

Year	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)	Monthly Rental (RMB) ^{Note 2} (approx.)	% of total (approx.)	No. of Tenancies ^{Note 3}	% of total (approx.)
2011	73,009	25.4	12,997,164	26.5	189	31.2
2012	100,602	35.1	18,095,470	36.9	254	42.0
2013	85,425	29.8	14,030,472	28.6	121	20.0
2014	27,674	9.6	3,845,822	7.9	40	6.6
2015	337	0.1	62,345	0.1	1	0.2
Total	287,047	100.0	49,031,273	100.0	605	100.0

Tenancy Duration Profile

Year	Leased Rentable Area ^{Note 1} (sq.m.) (approx.)	% of total (approx.)	Monthly Rental (RMB) ^{Note 2} (approx.)	% of total (approx.)	No. of Tenancies ^{Note 3}	% of total (approx.)
Up to 1 year	4,075	1.4	704,686	1.4	10	1.7
More than 1 year and up to 2 years	85,526	29.8	14,467,069	29.5	258	42.6
More than 2 years and up to 3 years	90,612	31.6	15,270,081	31.2	210	34.7
More than 3 years and up to 4 years	26,817	9.3	4,749,451	9.7	50	8.3
More than 4 years and up to 5 years	49,066	17.1	8,127,181	16.6	49	8.1
More than 5 years and up to 6 years	7,328	2.5	1,231,644	2.5	8	1.3
More than 6 years and up to 7 years	14,095	4.9	2,749,809	5.6	12	2.0
More than 7 years and up to 8 years	4,480	1.6	780,448	1.6	6	1.0
More than 8 years and up to 9 years	—	0.0	—	0.0	—	0.0
More than 9 years and up to 10 years	5,048	1.8	950,904	1.9	2	0.3
More than 10 years	—	0.0	—	0.0	—	0.0
Total	287,047	100.0	49,031,273	100.0	605	100.0

Note 1: As at the date of valuation, the total leased rentable area of about 287,047 square metres included an area of about 7,230 square metres for tenancies with lease terms not yet commenced and an area of about 279,817 square metres for tenancies with lease terms already commenced.

Note 2: As at the date of valuation, the total monthly rental only includes the monthly rental receivable from tenancies with lease terms already commenced and excludes the monthly rental receivable from tenancies with lease terms not yet commenced, amounting to about RMB1,647,127 per month.

Note 3: As at the date of valuation, there are 605 tenancies, in which 579 tenancies are with lease terms already commenced and 26 tenancies are with lease term not yet commenced.

(12) We have noted from the market the strata-title transactions and asking office properties with details as follows:

Property	Location	Completion Date (About)	Type of transaction	Date of Transaction/offer	Price (RMB/sq.m. on gross) (About)
Jianguo Wu Hao (Office Portion)	Dongcheng District	2000	Asking	Q1 2011	37,000 (average)
Avic Building	Chaoyang District	2000	Asking	Q1 2011	41,000 (average)
Gong San Plaza (office portion)	Chaoyang District	Expected 2011	Transaction noted from the market	Q3 2010	46,000 (with gross floor area of about 26,000 sqm)
Nexus Center	Chaoyang District	2008	Transaction noted from the market	Dec 2009	42,000 (with gross floor area of about 82,000 sqm)
Baifu International Building	Chaoyang District	2007	Transaction noted from the market	Dec 2008	34,000 (with gross floor area of about 26,000 sqm)
Mapletree Tower	Chaoyang District	2000s	Transaction noted from the market	Oct 2010	39,000 (with gross floor area of about 33,700 sqm)

Note: We are not the transaction parties nor are we the professional advisor in the above transactions. We are unable to verify or obtain direct confirmation of the above information and we make no guarantee, warranty or representation about it, which is for reference purpose only.

Valuation Certificate

Serviced Apartment Portion – East Tower and West Tower

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Estimated net property yield (approx.)</u>	<u>Capital Value in Existing State as at 31 January 2011 (RMB)</u>
The serviced apartment portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	<p>The Property is a comprehensive development comprising of a shopping mall, eight office towers, two serviced apartment towers, a hotel and about 1,900 car parking spaces including loading/unloading spaces.</p> <p>The serviced apartment portion comprises a 21-storey serviced apartment tower and a 14-storey serviced apartment tower with a total gross floor area of approximately 81,603 square metres. The total rentable area is approximately 81,098 square metres. The serviced apartment portion was completed between 2002 and 2004.</p> <p>The serviced apartment portion is held by Beijing Oriental Plaza Co., Ltd. for a term to be expired on 21 April 2049.</p>	<p>The serviced apartment portion of the Property is let under various tenancies for various terms with the latest expiring on 31 October 2013, yielding a total monthly rental income of about RMB6,265,150 exclusive of management fee and utility charges. Most of the tenancies do not contain rent review clauses and/ or options to renew for further terms at the then market rents.</p> <p>The occupancy rate of the serviced apartment portion of the Property as at 31 January 2011 was about 87.9%.</p>	2.5%	2,310,000,000

Notes:

- (1) Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳臺國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated 26 June 2006, the land use rights of the Property with a site area of 77,594.81 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司) for a term expiring on 21 April 2049 for composite use.
- (2) Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated 10 January 2000, the total land area is 109,924.1 square metres, in which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project, and about 15,300 square metres of land is to be resumed for city road use.

- (3) Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳臺字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 9 December 2005, the building ownership rights with gross floor area of 763,480.35 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司).
- (4) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0001 (京東他項(2009出)第0001號) issued by Land Resources and Housing Administration Bureau of Beijing City (北京市國土資源和房屋管理局) dated 8 January 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (5) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0022 (京東他項(2009出)第0022號) issued by Land Resources Bureau of Beijing City (北京市國土資源局) dated 27 May 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (6) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Shi Gang Ao Tai Zi Di No.008266 (X 京房他證市港澳臺字第008266號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 6 January 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (7) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Shi Dong Zi Di No.002681 (X 京房他證東字第002681號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 27 April 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (8) In accordance with standard terms and conditions of the tenancy agreement, the landlord is responsible for the repairs of common areas and the tenant is responsible to maintain the leased property in a reasonable, tidy and tenable condition when handing back to the landlord upon the lease expiry.
- (9) The rentals reported herein are contractual rentals without taking into account rent free periods, if any.
- (10) The estimated net property yield of the serviced apartment portion is based on the said monthly rental income of the serviced apartment portion for January 2011 after allowing business tax and real estate tax provided by BOP.
- (11) Based on the tenancy information provided by the Manager, our analysis of the existing tenancy profile is set out below:

Occupancy Profile

Type	Leased Rentable Area (sq.m.) (approx.)	% of total (approx.)
Leased	71,281	87.9
Self-use ^{Note 1}	693	0.9
Vacant	9,124	11.2
Total	81,098	100.0

Tenancy Commencement Profile

Year	Leased Rentable Area ^{Note 2} (sq.m.) (approx.)	% of total (approx.)	Monthly Rental ^{Note 3} (RMB) (approx.)	% of total (approx.)	No. of Tenancies ^{Note 4}	% of total (approx.)
2009	1,512	2.1%	140,659	2.2%	11	2.0%
2010	47,176	66.2%	4,427,210	70.7%	357	65.8%
2011	22,593	31.7%	1,697,281	27.1%	175	32.2%
Total	71,281	100.0%	6,265,150	100.0%	543	100.0%

Tenancy Expiry Profile

<u>Year</u>	<u>Leased Rentable Area^{Note 2} (sq.m.) (approx.)</u>	<u>% of total (approx.)</u>	<u>Monthly Rental (RMB)^{Note 3} (approx.)</u>	<u>% of total (approx.)</u>	<u>No. of Tenancies^{Note 4}</u>	<u>% of total (approx.)</u>
2011	61,470	86.3%	5,618,112	89.7%	472	86.9%
2012	9,289	13.0%	606,656	9.7%	67	12.4%
2013	522	0.7%	40,382	0.6%	4	0.7%
Total	71,281	100.0%	6,265,150	100.0%	543	100.0%

Tenancy Duration Profile

<u>Year</u>	<u>Leased Rentable Area^{Note 2} (sq.m.) (approx.)</u>	<u>% of total (approx.)</u>	<u>Monthly Rental (RMB)^{Note 3} (approx.)</u>	<u>% of total (approx.)</u>	<u>No. of Tenancies^{Note 4}</u>	<u>% of total (approx.)</u>
Up to 1 year	63,196	88.7%	5,611,504	89.6%	488	89.9%
more than 1 year and up to 2 years	7,618	10.7%	611,926	9.8%	51	9.4%
more than 2 years and up to 3 years	467	0.6%	41,720	0.6%	4	0.7%
Total	71,281	100.0%	6,265,150	100.0%	543	100.0%

Note 1: As at the date of valuation, the self-use rentable area of about 693 square metres are occupied by the staff with a total monthly rental of about RMB3,200.

Note 2: As at the date of valuation, the total leased rentable area of about 71,281 square metres includes an area of about 4,702 square metres for tenancies with lease terms not yet commenced and an area of about 66,579 square metres for tenancies with lease terms already commenced.

Note 3: As at the date of valuation, the total monthly rental only includes the monthly rental receivable from tenancies with lease terms already commenced and excludes the monthly rental receivable from tenancies with lease terms not yet commenced, amounting to about RMB417,289 per month.

Note 4: As at the date of valuation, there are 543 tenancies, of which 509 tenancies are with lease terms already commenced and 34 tenancies are with lease terms not yet commenced.

(12) We have noted from the market the strata-title asking residential properties with details as follows:

<u>Property</u>	<u>Location</u>	<u>Completion Date (About)</u>	<u>Type of transaction</u>	<u>Date of offer</u>	<u>Average Price (RMB per sq.m. on gross) (About)</u>
Beijing Inn	Dongcheng District	2008	Asking	Q1 2011	32,000
Blue Castle International Apartment	Chaoyang District	2003	Asking	Q1 2011	31,000
Li Dou Yi Hao	Chaoyang District	Expected 2011	Asking	Q1 2011	36,000
Wanguo Cheng	Dongcheng District	2004	Asking	Q1 2011	36,000
Yangguang Dushi	Dongcheng District	2000	Asking	Q1 2011	38,000
Shang Long Jia Yuan	Dongcheng District	1998	Asking	Q1 2011	33,000

Note: We are not the transaction parties nor are we the professional advisor in the above transactions. We are unable to verify or obtain direct confirmation of the above information and we make no guarantee, warranty or representation about it, which is for reference purpose only.

Hotel Portion – Grand Hyatt Beijing

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy (approx.)</u>	<u>Capital Value in Existing State as at 31 January 2011 (RMB)</u>
The hotel portion of the Property No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	<p>The Property is a comprehensive development comprising of a shopping mall, eight office towers, two serviced apartment towers, a hotel and about 1,900 car parking spaces including loading/ unloading spaces.</p> <p>The hotel portion is a 5-star hotel comprising one 24-storey tower (including 4 basement levels) with a total gross floor area of approximately 125,420 square metres completed in 2001. The hotel has a total of 825 guest rooms (including a split-level Presidential Suite and 824 luxurious guestrooms) and rooms for in house use, food and beverage outlets, a business centre, a fitness centre with indoor swimming pool, meeting rooms, function rooms and ballrooms.</p> <p>The hotel portion is held by Beijing Oriental Plaza Co., Ltd. for a term to be expired on 21 April 2049.</p>	<p>The hotel portion of the Property is currently operated under the brand name of Grand Hyatt Beijing.</p> <p>The occupancy rate of the hotel portion of the Property as at 31 January 2011 is about 52.3%.</p>	3,920,000,000

Notes:

- (1) Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳臺國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated 26 June 2006, the land use rights of the property with a site area of 77,594.81 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司) ("BOP") for a term expiring on 21 April 2049 for composite use.
- (2) Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated 10 January 2000, the total land area is 109,924.1 square metres, in which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project, and about 15,300 square metres of land is to be resumed for city road use.
- (3) Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳臺字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 9 December 2005, the building ownership rights with gross floor area of 763,480.35 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司).

- (4) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0001 (京東他項(2009出)第0001號) issued by Land Resources and Housing Administration Bureau of Beijing City (北京市國土資源和房屋管理局) dated 8 January 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (5) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0022 (京東他項(2009出)第0022號) issued by Land Resources Bureau of Beijing City (北京市國土資源局) dated 27 May 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (6) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Shi Gang Ao Tai Zi Di No.008266 (X 京房他證市港澳臺字第008266號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 6 January 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (7) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Dong Zi Di No.002681 (X 京房他證東字第002681號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 27 April 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (8) Pursuant to the Management Agreement and Supplementary Management Agreement (管理契約及管理契約補充契約) dated 27 July 2001 and 13 September 2002 respectively, as well as Amendment to Management Agreement (管理契約之修訂協議) and Termination of 2001 Letter Agreement both dated 28 March 2011, entered into between BOP and Hyatt of China Limited (中國凱悅有限公司) ("Hyatt China") (collectively the "Management Agreement"), Hyatt China shall provide management services for the operation and management of Grand Hyatt Beijing (the "Hotel") for a term commencing from the date of which the agreements are approved and registered by the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) of the People's Republic of China and expiring on 31 December 2019, with the current basic management fee of 2% of the cumulative revenue of the Hotel during the current calendar year after deducting from such basic management fee all basic management fees previously paid to Hyatt China during such calendar year and an incentive fee equal to 5% of the cumulative gross operating profit of the Hotel during the current fiscal year, after deducting from such incentive fee payment all incentives fees previously paid to Hyatt during such fiscal year.
- (9) Pursuant to the Reservation Services Agreement (訂房服務契約) entered into between Grand Hyatt Beijing at Oriental Plaza (北京東方廣場有限公司東方君悅大酒店分公司) ("GHB") and International Reservation Limited ("IRL") dated 10 February 2003, IRL shall provide computerised telephone reservation services outside Mainland China to GHB for a term coterminous with the term of the said Management Agreement.
- (10) Pursuant to the Chain Marketing Services Agreement (連鎖行銷服務契約) entered into between GHB and Hyatt Chain Services Limited ("HCSL") dated 10 February 2003, HCSL shall provide chain marketing services outside of Mainland China for the benefit of GHB for a term coterminous with the term of the said Management Agreement.
- (11) Pursuant to the Loyalty Program Services Agreement (常客服務計劃契約) entered into between GHB and HGP (Travel) Limited ("HGP") dated 10 February 2003, HGP shall provide loyalty program services to GHB for a term coterminous with the term of the said Management Agreement. No part of such program services are to be performed in Mainland China.
- (12) We have noted from the market the transaction of a hotel style operated serviced apartment with details as follows:

Property	Location	Completion Date (About)	Type of transaction	Date of Transaction/offer	Price (RMB/room) (About)
Ascot Beijing	Chaoyang District	2000s	transaction noted from the market	Q1 2010	4,850,000

Note: We are not the transaction parties nor are we the professional advisor in the above transactions. We are unable to verify or obtain direct confirmation of the above information and we make no guarantee, warranty or representation about it, which is for reference purpose only.

Valuation Certificate

Basement Portion (portion of level P1 and the whole of levels P2 to P4)

Property	Description and tenure	Particulars of occupancy	Capital Value in Existing State as at 31 January 2011 (RMB)
The basement portion (portion of level P1 and the whole of levels P2 to P4) of the Property	The Property is a comprehensive development comprising of a shopping mall, eight office towers, two serviced apartment towers, a hotel and about 1,900 car parking spaces including loading/ unloading spaces.	A total of about 1,900 car parking spaces including loading/ unloading spaces are provided within the basement portion of the Property, let under various agreements, occupied by either Beijing Oriental Plaza Co., Ltd. or various other occupiers as car parking spaces. The total average monthly income is approximately RMB1,790,000 for the period between February 2010 to January 2011.	290,000,000
No. 1 East Chang An Avenue, Dong Cheng District, Beijing, the People's Republic of China	The basement portion comprises 4 basement levels with a total gross floor area of approximately 116,712 square metres (excluding the civil defence shelter area of about 24,474 square metres). The total number of parking spaces is approximately 1,900 car parking spaces including loading/ unloading spaces. The basement portion was completed in 2000.	Various spaces for postage services, machinery rooms, temporary storage, warehouse are let under various agreements for terms of 2 to 5 years, with the last expiry date in September 2014, yielding an average monthly rental of approximately RMB66,000 for the period between February 2010 to January 2011.	
	The basement portion is held by Beijing Oriental Plaza Co., Ltd. for a term to be expired on 21 April 2049.	The occupancy rate of the carpark portion of the Property as at 31 January 2011 is about 70%.	

Notes:

- (1) Pursuant to the State-owned Land Use Certificate (國有土地使用證), Jing Shi Dong Gang Ao Tai Guo Yong (2006 Chu) Di No. 10128 (京市東港澳臺國用(2006出)第10128號) issued by the People's Government of Beijing Municipality (北京市人民政府) dated 26 June 2006, the land use rights of the property with a site area of 77,594.81 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司) for a term expiring on 21 April 2049 for composite use.
- (2) Pursuant to the Appendix of Construction Land Use Planning Permit (建設用地規劃許可證附件), 2000-Gui Di Zi-0008 (2000-規地字-0008), issued by the Urban Planning Administration Bureau of Beijing City (北京市城市規劃管理局) dated

10 January 2000, the total land area is 109,924.1 square metres, in which about 94,624.1 square metres of land is for construction land use of Oriental Plaza Project, and about 15,300 square metres of land is to be resumed for city road use.

- (3) Pursuant to the Building Ownership Certificate (房屋所有權證), Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di No. 10283 (京房權證市東港澳臺字第10283號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 9 December 2005, the building ownership rights with gross floor area of 763,480.35 square metres are held by Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司).
- (4) Pursuant to Civil Defence Shelter Use Certificate (人防工程使用證), Jing (Dong) Fang Yong Zi No. 008 (京(東)防用字008號) issued by the Civil Defence Bureau of Dong Cheng District, Beijing City (北京市東城區民防局), Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司) is permitted to use a gross floor area of 23,577 square metres of the Property as car parking purpose for a term commencing from 20 May 2008 and to be expired on 20 May 2013.
- (5) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0022 (京東他項(2009出)第0022號) issued by Land Resources Bureau of Beijing City (北京市國土資源局) dated 27 May 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (6) Pursuant to the Land Right Encumbrances Certificate (土地他項權利證明書), Jing Dong Ta Xiang (2009 Chu) Di No.0001 (京東他項(2009出)第0001號) issued by Land Resources and Housing Administration Bureau of Beijing City (北京市國土資源和房屋管理局) dated 8 January 2009, an area of 77,594.81 square metres has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (7) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Shi Gang Ao Tai Zi Di No.008266 (X 京房他證市港澳臺字第008266號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 6 January 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB1,100,000,000.
- (8) Pursuant to the Building Right Encumbrances Certificate (房屋他項權證), X Jing Fang Ta Zheng Dong Zi Di No.002681 (X 京房他證東字第002681號) issued by the Beijing Municipal Commission of Construction (北京市建設委員會) dated 27 April 2009, the building under the said Building Ownership Certificate has been mortgaged to Bank of China Corporation Limited-Beijing Wangfujing Branch (中國銀行股份有限公司北京王府井支行) with a consideration of RMB500,000,000.
- (9) The rentals reported herein are contractual rentals without taking into account rent free periods, if any.
- (10) We have noted from the market the asking car parking spaces in the market with details as follows:

Property	Location	Completion Date (About)	Type of transaction	Date of Transaction/offer	Price (RMB/ carpark) (About)
建外 Soho	Chaoyang District	2004	Asking	Q3 2010	260,000 to 300,000

Note: We are not the transaction parties nor are we the professional advisor in the above transactions. We are unable to verify or obtain direct confirmation of the above information and we make no guarantee, warranty or representation about it, which is for reference purpose only.

PRC Legal Opinion on Oriental Plaza, Beijing

The PRC legal opinion states, inter alia, that:

- a. Beijing Oriental Plaza Co., Ltd. (北京東方廣場有限公司) ("BOP") has obtained the land use rights and building ownership rights of the property with a site area of 77,594.81 square metres and the gross floor area of 763,480.35 square metres respectively. BOP, being the sole legal owner of the said land use rights and building ownership rights, has obtained all necessary permits and certificates from relevant departments of the PRC Government, and has the right to occupy, use, lease, transfer, mortgage or deal with the said land use rights and building ownership rights by other lawful means in accordance with the permitted use during the term of the said land use rights. However, as the land use rights and building ownership rights of the Property have been mortgaged, BOP has to obtain prior written approval from the Bank of China Limited — Wangfujing Branch (中國銀行股份有限公司北京王府井支行) (the "Bank") before leasing, transferring, contributing capital by real property, substantially renovating or redeveloping the said land and buildings, or dealing with such land use rights and buildings by other means, except for leasing, renovation or alteration for the purposes of the operation of business and provided that such leasing, renovation or alteration would not reduce the value of the mortgaged property.
- b. BOP does not possess the building ownership rights of the civil defence shelter of the Property with gross floor area of 24,474.37 square metres. However, pursuant to the Civil Defence Shelter Use Certificate, BOP has the right to use the civil defence shelter of the Property with gross floor area of 23,577 square metres for car parking purpose.
- c. Apart from the said mortgage and the existing tenancies, the said land use rights and building ownership rights of the Property are not subject to any other forced requisition, mortgage, encumbrances or other third party rights.
- d. As confirmed by BOP, the approval, permission and certificates related to the completion of the development of the Property have not been revoked, abolished or repealed.
- e. BOP is the sole legal owner of the said building ownership rights and possesses the rights to lease the property and receive rental income from the leased property according to the relevant tenancy agreements.
- f. The existing tenancy agreements are legal and valid, and binding on both the signing parties within the respective tenancy period.
- g. Most of the existing tenancy agreements have been registered with the relevant government departments, and as confirmed by BOP, the remaining tenancy agreements are in the process of applying for registration. For tenancies with the registration process not yet completed, the legal effectiveness, validity and enforceability of those tenancies would not be affected. The risk of being penalised by corresponding government department is minimal.
- h. BOP should not sub-let the leased portion of the Property during relevant lease terms. If BOP wishes to deal with the said leased portion of the Property by other means, BOP should comply with the clauses stipulated in the relevant tenancy agreements. If BOP wishes to dispose of the leased portion of the Property, BOP should, within a reasonable period before the disposal, provide prior notification to those tenants who have not given up the priority purchasing right in the relevant tenancy agreements. Those tenants possess the priority right to purchase the property upon the same conditions.
- i. The said property management agreements regarding the hotel portion of the Property as stipulated in the valuation certificate are legal and valid, and binding on both the signing parties.

MARKET OVERVIEW

Beijing is one of the most developed cities in the PRC with the tertiary industry accounting for the majority of its GDP. The well developed financial industry, the innovative cultural and other modern service industries are now well established in the international market. The real estate and automotive sectors have also grown rapidly in recent years. The successful hosting of the Olympic Games further enhanced the reputation of Beijing. Tertiary industries continue to buoy Beijing's economic development, supported by the rally in foreign investment and domestic consumption.

Beijing Retail Market

Supply and Demand

The retail leasing market is strong and the impact of the global financial crisis in 2008 has been limited. Developers started to increase investment in retail projects in Q2 2010 following the announcement of restrictive policies on the residential market by the Government. As people become accustomed to shopping malls in Beijing, the new supply of shopping malls has surpassed that of department stores over the past five years. The retail market in Beijing remained active in 2010 due to the expansion of many well-known brands. The new supply in 2010 and the future supply forecast to be launched onto the market in coming years, is not expected to substantially impact the mature shopping malls currently enjoying high occupancy rates in the core central districts. As the supply of new retail projects in Wangfujing / East Chang'an Avenue was limited between 2001 and 2007, those projects launched over the past two years have been absorbed by the market in a positive manner.

The retail market was active in the first half of 2010, with more domestic and overseas retailers in fashion, jewellery, cosmetics, F&B, watches, home and lifestyle penetrating the market, opening new stores and expanding outlets. Demand for mature shopping malls with high occupancy, high positioning and a unique theme is expected to remain high. In Q4 2010, the vacancy rate of the Wangfujing / East Chang'an Avenue retail submarket was about 7.5% according to DTZ research which is lower than the overall Beijing retail market over the same period.

Market Trend

The Wangfujing/ East Chang'an Avenue area is a well developed shopping area with many international brands. The rental level in this area witnessed stable growth after the global financial crisis. Being a core business and shopping area in Beijing, customer flow is high, especially during public holidays and weekends. In Q2 2010, retailers continued to battle for hot prime shopping centres which drove up the average rental level in Wangfujing/ East Chang'an Avenue area. This area ranks as the top region amongst other major retail areas such as Xidan, CBD and the Lufthansa areas. The average transacted rental level of high-end retail properties in this area reached about RMB580 per net sq.m. per month in Q4 2010 according to DTZ Research. The strongly performing macro economy is forecast to have a positive impact on rental levels in the Wangfujing / East Chang'an Avenue area in the future.

Beijing Office Market

Supply and Demand

A significant supply of Grade A office space came onto the market over the past 5 years, however supply became tight in 2010, declining from the peak in 2008, the year of the Olympic Games. In mature and well developed districts such as Wangfujing / East Chang'an Avenue, there is limited vacant land for development and the supply in such areas is more limited.

Recovering from the global financial crisis in Q4 2008 and 2009, the Beijing office leasing market became more active in 2010, with the overall Grade A office vacancy rate falling steadily, with companies looking for high quality office space for business expansion. According to DTZ Research, the vacancy rate of Beijing Grade A offices had dropped to below 15% in 2010. Whilst domestic companies still played an important role in office take-up, some foreign companies showed signs of

loosening their purse strings. The net absorption of Grade A offices nearly doubled in Q3 2010 compared to year 2009. Most of the Grade A offices in Wangfujing / East Chang'an Avenue are of a high quality with high occupancy rate. The vacancy rate in the high quality office buildings is lower than the overall Grade A office market in Beijing.

Market Trend

The increase in demand helped to ease the pressure on landlords to retain existing tenants. There are signs of an upward adjustment in rental levels and a shift in leasing strategies from maintaining occupancy levels to improving tenant quality and maximising revenue. The average transacted rental level reached about RMB160 per gross sq.m. per month in 2010, according to DTZ Research. Furthermore, the promising demand for Grade A offices is likely to absorb the new supply provided during the previous few years and maintain stable rental growth.

Beijing Serviced Apartment Market

Supply and Demand

Wangfujing / East Chang'an Avenue is one of the key areas for serviced apartments in Beijing. It is a core business district of Beijing with Grade A offices. The supply of serviced apartments has been steadily increasing over the past 10 years due to the continuous growth of the Beijing economy, the influx of foreign expatriates together with investment and rising demand from the domestic middle class and professionals. Many international serviced apartments have been established in Beijing and have introduced new brand names for different market segments. New projects are expected to come onto the market over the next few years.

Guests of serviced apartments in Beijing are mainly mid to long-term stay expatriates at senior management level. Whilst the majority of the demand comes from foreign expatriates from Japan, Europe and the US, demand from domestic residents is on the rise. The Beijing Olympics effect boosted the serviced apartment market significantly causing high occupancy and increased rental levels. However, the market cooled down and was hit severely by the global financial crisis due to a reduction in expatriate relocation and business travel in 2009. Along with stabilised market conditions, business activity has picked up in Beijing, bringing new expatriates and increased demand for serviced apartments in 2010.

According to JLL, both the monthly rental and occupancy of Beijing serviced apartment were improving to the level above RMB160 per sq.m. per month at an occupancy rate above 80% in Q4 2010.

Market Trend

As the global market has stabilised and China's economy is still on the rise, Beijing, as the capital city of China, is still considered as the preferred place for headquarters of international corporations, who demand high quality housing. However, some international corporations adversely impacted by the global financial crisis have become more cost conscious and reduced housing budgets of expatriate staff and localised middle and senior management. The demand from domestic customers, on the other hand, is on the rise prompting operators to diversify in order to capture domestic market demand.

Beijing Hotel Market

Supply and Demand

Due to the hosting of the 2008 Olympic Games in Beijing, a substantial supply of internationally branded and high-end hotel guest rooms was added to the market stock. The Beijing hotel market suffered a substantial post-Olympic supply hangover in 2009, causing fierce competition. Five-star hotel occupancy rates first experienced a drop in year 2007 after a three-year double-digit yearly growth since 2004, after the year of SARS in 2003. The declining trend continued in 2008 and 2009, not only because of the new supply of high-end hotels, but also due to the influx of budget hotels and the impact of the global financial crisis in 2008.

The situation began to improve in 2010 as a result of the solid recovery in tourist demand and an improving macro economy. The occupancy rate has been rising from the low level of 2009. According to JLL, the occupancy rate of Beijing five-star hotels was about 60% by the end of 2010. The increase in demand is forecast to digest the new supply coming onto the market in the next few years. Grand Hyatt Beijing, as a component of the mixed development of Oriental Plaza, is well positioned to capture the rising demand as it is well located in the Wangfujing shopping area and is close to many historical tourist attractions including Tiananmen Square and the Forbidden City. The conference facilities provided within the hotel and the Grade A offices of Oriental Plaza allow Grand Hyatt Beijing to capture significant corporate business and its convenient location provides substantial leisure demand.

Market Trend

The improving trend of tourist arrivals and business travel in 2010 has improved the occupancy rate of five-star hotels in Beijing. This increase in demand is forecast to have a positive impact on room rates. The prospects for the five-star hotel market are positive and room rates are expected to grow in 2011.