

10 January 2011

The Directors
SRE Group Limited
Suite 2501, 25/F
Convention Plaza Office Tower
1 Harbour Road
Wan Chai
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE & DATE OF VALUATION

In accordance with your instructions for us to value the properties held by China New Town Development Company Limited (referred to as the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in the People’s Republic of China (the “PRC”) (as more particularly described in the valuation certificates), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary to provide you with our opinion of the values of such properties as at October 31, 2010 (the “date of valuation”).

DEFINITION OF MARKET VALUE

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by 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”.

VALUATION BASIS AND ASSUMPTIONS

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 published by The Stock Exchange of the Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) issued by the Hong Kong Institute of Surveyors.

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Our valuations exclude 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.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates approvals and licenses, in accordance with the information provided by the Group are set out in the notes of the respective valuation certificates.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and as advised by the Group, the potential tax liabilities which may arise from the sale of the properties include:

- (a) business tax at a rate of 5% of consideration for the property in the PRC
- (b) profits tax on the profit from the sale at rate of 25% for the property in the PRC; and
- (c) land value appreciation tax for the property in the PRC at progressive tax rates ranging from 30% to 60% on the appreciation in property value from not more than 50% to more than 200%.

As at the time of this circular, the Group has confirmed that it has no intention to sell any of the properties which are to be held for occupation, investment and future development. Hence, the likelihood of any potential tax liability of these properties being crystallized is remote.

In respect of the Property No. 8 which is held by the Group for sale and under construction in the PRC, the Group advises that the potential tax liabilities is estimated to be approximately RMB39.8 million would arise if such property was to be sold at the amount of the valuation. The above amount is for indicative purpose and is calculated based on prevailing rules and information available as at the Latest Practicable Date.

METHOD OF VALUATION

In valuing the properties in Group I, which are held and occupied by the Group in the PRC, we have used the direct comparison approach assuming sale of the property in its existing state by making reference to comparable sales transactions as available in the relevant market.

In valuing the properties in Group II, which are held by the Group for investment in the PRC, we have used income approach on the basis of capitalization of net rental income derived from the existing tenancies with due allowance for reversionary income potential of the property or by reference to comparable market transactions.

In respect of the properties in Groups III to V, which are held by the Group for investment and sale both under construction and for future development respectively in the PRC, we have valued on the basis that the properties will be developed and completed in accordance with the Group's latest development proposals provided to us (if any). In arriving at our opinion of values, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development.

For properties in Group VI, which are leased by the Group in the PRC, are considered to have no commercial value due mainly to the prohibition against assignment and subletting or otherwise to the lack of the substantial profit rents.

SOURCE OF INFORMATION

We have been provided by the Group with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuations, we have relied to a very considerable extent on the information given to us by the Group in respect of the properties in the PRC and have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

TITLE INVESTIGATION

We have been provided with extracts of documents relating to the titles of the properties in the PRC, but no searches have been made in respect of the properties. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the information and advice given by the Group and its legal advisor, Yan Yiming Law Firm (上海嚴義明律師事務所) regarding the title to each of the properties and the Group's interests in the PRC properties.

SITE INSPECTION

We have inspected the exterior and, wherever possible, the interior of the properties. However, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or

delays will be incurred during the construction period. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the area shown on the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all money amounts indicated herein our valuations are in Renminbi (RMB), which is the official currency of the PRC.

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

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited



Andrew K.F. Chan
Registered Professional Surveyor (GP)
Registered China Real Estate Appraiser
MSc., M.H.K.I.S., M.R.I.C.S.
Director

Note: Mr. Andrew Chan is a Registered Professional Surveyor who has over 23 years' of experience in the valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUATIONS

Group I – Properties held and occupied by the Group in the PRC

Property	Capital value in existing state as at October 31, 2010 (RMB)	Interest attributable to the Group (%)	Capital value in existing state attributable to the Group as at October 31, 2010 (RMB)
1. Command center in Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區 羅店新鎮 指揮中心	45,000,000	72.63	32,683,500
2. Lake Malaren Convention Center in Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區 羅店新鎮 美蘭湖會議中心	207,000,000	72.63	150,344,100

Property	Capital value in existing state as at October 31, 2010 (RMB)	Interest attributable to the Group (%)	Capital value in existing state attributable to the Group as at October 31, 2010 (RMB)
3. Crowne Plaza Lake Malaren Shanghai Hotel in Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區 羅店新鎮 上海美蘭湖皇冠假日酒店	459,000,000	72.63	333,371,700
4. Unit No. 815 of Retail Street on the west side of Xinhong Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC 中國江蘇省無錫市新區 鴻山新鎮新鴻路以西的 風情街815商舖單元	16,500,000	90	14,850,000
Sub-total of Group I:	<u>727,500,000</u>		<u>531,249,300</u>

Group II – Properties held by the Group for investment in the PRC

Property	Capital value in existing state as at October 31, 2010 (RMB)	Interest attributable to the Group (%)	Capital value in existing state attributable to the Group as at October 31, 2010 (RMB)
5. Various shops in Retail Street of Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區 羅店新鎮風情街商舖	420,000,000	72.63	305,046,000
6. Various shops in Retail Street and the remaining land plot on the west side of Xinhong Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC 中國江蘇省無錫市新區 鴻山新鎮新鴻路以西的 風情街商舖及剩餘土地	164,000,000	90	147,600,000
Sub-total of Group II:	<u>584,000,000</u>		<u>452,646,000</u>

Group III – Property held by the Group for investment and under construction in the PRC

Property	Capital value in existing state as at October 31, 2010 (RMB)	Interest attributable to the Group (%)	Capital value in existing state attributable to the Group as at October 31, 2010 (RMB)
7. Retail portion of Transport Center of Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區 羅店新鎮交通樞紐的 商舖部份	187,000,000	72.63	135,818,100
Sub-total of Group III:	<u>187,000,000</u>		<u>135,818,100</u>

Group IV – Property held by the Group for sale and under construction in the PRC

Property	Capital value in existing state as at October 31, 2010 (RMB)	Interest attributable to the Group (%)	Capital value in existing state attributable to the Group as at October 31, 2010 (RMB)
8. Office portion of Transport Center of Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區 羅店新鎮交通樞紐的 辦公樓部份	200,000,000	72.63	145,260,000
Sub-total of Group IV:	<u>200,000,000</u>		<u>145,260,000</u>

Group V – Properties held by the Group for future development in the PRC

Property	Capital value in existing state as at October 31, 2010 (RMB)	Interest attributable to the Group (%)	Capital value in existing state attributable to the Group as at October 31, 2010 (RMB)
9. A parcel of land beside Crowne Plaza Lake Malaren Shanghai Hotel in Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區 羅店新鎮上海美蘭湖 皇冠假日酒店旁邊的土地	291,000,000	72.63	211,353,300
10. A parcel of land on the west side of Xinhong Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC 中國江蘇省無錫市新區鴻山 新鎮新鴻路以西的一塊土地	175,000,000	90	157,500,000
11. A parcel of land on the north side of Xixian Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC 中國江蘇省無錫市新區鴻山 新鎮錫賢路北側的一塊土地	170,000,000	90	153,000,000
Sub-total of Group V:	636,000,000		521,853,300

Group VI – Properties leased and occupied by the Group in the PRC

Property	Capital value in existing state as at October 31, 2010 (RMB)	Capital value in existing state attributable to the Group as at October 31, 2010 (RMB)
<p>12. A portion of building at No. 4 Zhenxing Road, Hongshan Town, Wuxi, Jiangsu Province, the PRC</p> <p>中國江蘇省無錫市 鴻山鎮振興路4號房屋部份</p>	No commercial value	No commercial value
<p>13. A portion of building at No. 4-1 Zhenxing Road, Hongshan Town, Wuxi, Jiangsu Province, the PRC</p> <p>中國江蘇省無錫市 鴻山鎮振興路4-1號房屋部份</p>	No commercial value	No commercial value
<p>14. Golf courses in Luodian New Town, Baoshan District, Shanghai, the PRC</p> <p>中國上海市寶山區 羅店新鎮高爾夫球場</p>	No commercial value	No commercial value
Sub-total of Group VI:	No commercial value	No commercial value
Grand total of Groups I to VI:	2,334,500,000	1,786,826,700

VALUATION CERTIFICATE

Group I – Properties held and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
<p>1. Command center in Luodian New Town, Baoshan District, Shanghai, the PRC</p> <p>中國上海市寶山區羅店新鎮指揮中心</p>	<p>Luodian New Town is a comprehensive development comprising retail shops, convention center complex, golf course, clubhouse, driving range, hotel and various land parcels planned for residential developments.</p> <p>The command center comprises two buildings in Luodian New Town. One is a 2-storey building completed in 2003 and is known as Phase 1 of the property. Another one is a 4-storey building completed in 2007 and is known as Phase 2 of the property.</p> <p>Phase 1 of the property has a total gross floor area of approximately 1,328.9 sq.m. without Shanghai Certificate of Real Estate Ownership.</p> <p>Phase 2 of the property has a total gross floor area of approximately 5,302.88 sq.m. with Shanghai Certificate of Real Estate Ownership.</p> <p>The property is held with land use rights for a term of 50 years from September 6, 2006 to September 5, 2056 for public facilities (organization) use.</p>	<p>The property is occupied by the Group as office.</p>	<p>RMB45,000,000</p> <p>(72.63% interest attributable to the Group: RMB32,683,500)</p>

Notes:

- (1) According to Shanghai Contract for Grant of State-owned Land Use Rights (2006) No. 168 entered into between Shanghai Baoshan District Housing and Land Administrative Bureau (the “Grantor”) and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) (the “Grantee”) (a subsidiary of SRE Group Limited) on September 6, 2006, the Grantor has granted the land use rights of the land in Baoshan District, Shanghai to the Grantee. The salient conditions as stipulated in the contract are summarized as follows:

Location	:	south side of Yuepa Road and east side of Hutai Road, Baoshan District
Site area	:	12,142.7 sq.m.
Land premium	:	RMB2,185,680
Uses	:	Public facilities (Organization)
Land use term	:	50 years
Plot ratio	:	0.53 (total gross floor area shall not be more than 6,435.63 sq.m.)

- (2) According to Shanghai Certificate of Real Estate Ownership No. (2008) 029673 dated August 1, 2008, the salient details of the Phase 2 of the property are summarized as follows:

Owner	:	上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.)
Location	:	No. 6655 Hutai Road
Land use	:	Public facilities (Organization)
Lot no.	:	Qiu 44/3, Jiefang 12, Luonan Town, Baoshan District
Land use term	:	From September 6, 2006 to September 5, 2056 (50 years)
Site area	:	12,142.70 sq.m.
Gross floor area	:	5,302.88 sq.m.

In the course of our valuation, we have ascribed no commercial value to the Phase 1 of the property as the Shanghai Certificate of Real Estate Ownership has not been issued to the Group.

- (3) According to Planning Permit for Construction Use of Land No. (2006) 13060118E00091 issued by Urban Planning Administrative Bureau of Baoshan District on January 17, 2006, the construction project of 羅店新鎮指揮中心 (Command Center of Luodian New Town) on the land parcel situated on the south side of Meilanhu Road and on the east side of Luotai Road, with a site area of 17,260 sq.m. is in compliance with the urban planning requirements.
- (4) According to Business License No. 310000400317858 dated December 3, 2009, 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) was established with a registered capital of RMB548,100,000 for an operating period from September 26, 2002 to September 25, 2027. The scope of business comprises land development in the Luodian New Town area, real estate development for the land obtained by the process of transfer of state-owned land with consideration, provision of public utilities services and construction of municipal facilities, related property management, operation of golf course, driving range, hotel, food and beverage outlets, ancillary shopping arcades (with cigarettes and alcohol), swimming pool, tennis court, yacht berth and convention center.

- (5) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- (i) the Shanghai Certificate of Real Estate Ownership of the Phase 2 of the property is legal, valid and protected under the PRC laws and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) (SGLD) can lawfully enjoy the land use rights under such certificate;
 - (ii) SGLD has performed the necessary government approval procedures and obtained the necessary documents in respect of the construction of Phase 2 of the property but has not yet obtained the relevant approval documents in respect of the construction of Phase 1 of the property. As such, the PRC government may require the demolition of Phase 1 of the property and the relevant government approval authority may impose administrative penalty on SGLD;
 - (iii) SGLD has the right to occupy, use and mortgage the land use rights and building ownership under the Shanghai Certificate of Real Estate Ownership of the property during the term of such rights in accordance with the PRC laws; and
 - (iv) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled.
- (6) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Contract for Grant of State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes
Business License	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
2. Lake Malaren Convention Center in Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區羅店新鎮美蘭湖會議中心	<p>Luodian New Town is a comprehensive development comprising retail shops, convention center complex, golf course, clubhouse, driving range, hotel and various land parcels planned for residential developments.</p> <p>The property comprises a 5-storey convention center complex in Luodian New Town. The complex comprises 4 convention halls, 2 multifunctional halls, 22 conference rooms, an exhibition hall, theater, restaurants, 76 guest rooms, other entertainment facilities and underground car parking spaces.</p> <p>Completed in 2004, the property has a total gross floor area of approximately 33,537.26 sq.m.</p> <p>The property is held with land use rights for a term of 50 years from October 26, 2005 to October 25, 2055 for public facilities use.</p>	<p>The property is operated as a convention center complex.</p>	<p>RMB207,000,000</p> <p>(72.63% interest attributable to the Group: RMB150,344,100)</p>

Notes:

- (1) According to Shanghai Contract for Grant of State-owned Land Use Rights (2005) No. 140 entered into between Shanghai Baoshan District Housing and Land Administrative Bureau (the "Grantor") and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) (the "Grantee") (a subsidiary of SRE Group Limited) on October 26, 2005, the Grantor has granted the land use rights of the land in Luonan Town, Baoshan District, Shanghai to the Grantee. The salient conditions as stipulated in the contract are summarized as follows:

Plot no.	:	Qiu 28/3, Jiefang 12, Luonan Town, Baoshan District
Site area	:	26,116 sq.m.
Land premium	:	RMB7,386,720
Uses	:	Public facilities
Land use term	:	50 years
Plot ratio	:	Total floor area shall not be more than 33,537.26 sq.m.

- (2) According to Shanghai Certificate of Real Estate Ownership No. (2005) 035549 dated October 27, 2005 issued by Shanghai Municipal Building and Land Administrative Bureau, the ownership of the property has been vested in 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) as follows:

Owner	:	Shanghai Golden Luodian Development Co., Ltd.
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Location	: No. 888 Luofen Road, Luonan Town, Baoshan District
Land area	: 26,116 sq.m.
Land use	: Public facilities
Land use term	: From October 26, 2005 to October 25, 2055
Gross floor area	: 33,537.26 sq.m.
Building uses	: Hotel
Number of stories	: 5
Year of completion	: 2004

- (3) According to Planning Permit for Construction Use of Land No. (2003) 0087 issued by Urban Planning Administrative Bureau of Baoshan District on April 14, 2003, the construction project of 羅店新鎮美蘭湖會議中心 (Lake Malaren Convention Center of Luodian New Town) on the land parcel situated on the south side of Nuobeier Road and on the west side of Luotai Road, with a site area of 18,340 sq.m. is in compliance with the urban planning requirements.
- (4) According to Planning Permit for Construction Works No. (2003) 0383 issued by Planning Administrative Bureau of Baoshan District on October 23, 2003, the construction works of the convention center on the land parcel situated on the south side of Nuobeier Road and on the west side of Luotai Road, with an area of 34,560 sq.m. are in compliance with the urban planning requirements and have been approved.
- (5) According to Business License No. 310000400317858 dated December 3, 2009, 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) was established with a registered capital of RMB548,100,000 for an operating period from September 26, 2002 to September 25, 2027. The scope of business comprises land development in the Luodian New Town area, real estate development for the land obtained by the process of transfer of state-owned land with consideration, provision of public utilities services and construction of municipal facilities, related property management, operation of golf course, driving range, hotel, food and beverage outlets, ancillary shopping arcades (with cigarettes and alcohol), swimming pool, tennis court, yacht berth and convention center.
- (6) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- (i) the Shanghai Certificate of Real Estate Ownership of the property is legal, valid and protected under the PRC laws and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) (SGLD) can lawfully enjoy the land use rights under such certificate;
 - (ii) SGLD has performed the necessary government approval procedures and has obtained the necessary documents in respect of the construction of the property;
 - (iii) SGLD has the right to occupy and use the land use rights and building ownership of the property during the term of such rights in accordance with the PRC laws;

- (iv) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled; and
 - (v) the property has been mortgaged to the Industrial and Commercial Bank of China Limited Huangpu Branch.
- (7) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Contract for Grant of State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Business License	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
<p>3. Crowne Plaza Lake Malaren Shanghai Hotel in Luodian New Town, Baoshan District, Shanghai, the PRC</p> <p>中國上海市寶山區羅店新鎮上海美蘭湖皇冠假日酒店</p>	<p>Luodian New Town is a comprehensive development comprising retail shops, convention center complex, golf course, clubhouse, driving range, hotel and various land parcels planned for residential developments.</p> <p>The property comprises a 9-storey hotel consisting of 274 guest rooms, underground car parking spaces, Chinese and western restaurants, bars, indoor swimming pools, gyms, spas, clubhouse and other facilities in Luodian New Town.</p> <p>Completed in 2006, the property has a total gross floor area of approximately 49,708.83 sq.m. of which approximately 37,477.35 sq.m. is above ground and approximately 12,231.48 sq.m. is underground.</p> <p>The property is held with land use rights of for a term of 40 years from July 18, 2003 to July 17, 2043 for commercial use.</p>	<p>The property is operated as a hotel under the name "Crowne Plaza Lake Malaren Shanghai Hotel" and is subject to a management agreement dated June 20, 2007 with 假日酒店(中國)有限公司 (Holiday Inns (China) Ltd.) for an initial term of 10 years after the full opening of the hotel; and an automatic renewal term of 10 years unless notice is given by either party to terminate the agreement.</p>	<p>RMB459,000,000</p> <p>(72.63% interest attributable to the Group: RMB333,371,700)</p>

Notes:

- (1) According to Shanghai Contract for Grant of State-owned Land Use Rights (2003) No. 14 entered into between Shanghai Baoshan District Housing and Land Administrative Bureau (the "Grantor") and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) (the "Grantee") (a subsidiary of SRE Group Limited) on July 18, 2003, the Grantor has agreed to grant the land use rights of the land located on the east side of Fuyuan Road, the south side of Malu River and the west side of Panjing Road, Luonan Town, Baoshan District, Shanghai to the Grantee. The salient conditions as stipulated in the contract are, inter alia, summarized as follows:

Location	:	on the east side of Fuyuan Road, the south side of Malu River and the west side of Panjing Road, Luonan Town, Baoshan District, Shanghai
Site area	:	336,491 sq.m.
Land premium	:	RMB47,108,740
Uses	:	Commercial and service
Land use term	:	40 years
Plot ratio	:	Not more than 0.4 (Total floor area shall not be more than 134,596.4 sq.m.)

- (2) According to Shanghai Certificate of Real Estate Ownership No. (2007) 040750 dated October 28, 2007 issued by Shanghai Municipal Building and Land Administrative Bureau, the ownership of the property has been vested in 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) as follows:

Owner	: Shanghai Golden Luodian Development Co., Ltd.
Location	: Qiu 88/8, Jiefang 5, Luonan Town, Baoshan District
Land use	: Commercial and service
Land use term	: From July 18, 2003 to July 17, 2043 (40 years)
Site area	: 336,491 sq.m.
Year of completion	: 2006
Gross floor area	: 49,708.83 sq.m.

- (3) As advised by the Group, there are a hotel and a golf club house building located on the land. The Group cannot provide evidence to ascertain a separate site area for the portions of land occupied by the hotel and clubhouse building.
- (4) According to Planning Permit for Construction Use of Land No. (2002) 0275 issued by Planning Administrative Bureau of Baoshan District on December 31, 2002, the construction project of 羅店新鎮高爾夫俱樂部·練習場 (Driving range of golf club of Luodian New Town) on the land parcel situated on the west side of Panjing Road, with a site area of 340,000 sq.m. is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. (2004) 0268 issued by Planning Administrative Bureau of Baoshan District on October 22, 2004, the construction works of 羅店新鎮高爾夫俱樂部A幢 (Block A of golf club of Luodian New Town) on the land parcel situated Meilanhu Road, with an area of 37,661 sq.m. are in compliance with the urban planning requirements and have been approved.
- (6) According to Business License No. 310000400317858 dated December 3, 2009, Shanghai Golden Luodian Development Co., Ltd. was established with a registered capital of RMB548,100,000 for an operating period from September 26, 2002 to September 25, 2027. The scope of business comprises land development in the Luodian New Town area, real estate development for the land obtained by the process of transfer of state-owned land with consideration, provision of public utilities services and construction of municipal facilities, related property management, operation of golf course, driving range, hotel, food and beverage outlets, ancillary shopping arcades (with cigarettes and alcohol), swimming pool, tennis court, yacht berth and convention center.
- (7) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- (i) the Shanghai Certificate of Real Estate Ownership of the property is legal, valid and protected under the PRC laws and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) (SGLD) can lawfully enjoy the land use rights under such certificate;
 - (ii) SGLD has performed the necessary government approval procedures and has obtained the necessary documents in respect of the construction of the property;
 - (iii) SGLD has the right to occupy and use the land use rights and building ownership of the property during the term of such rights in accordance with the PRC laws;
 - (iv) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled; and
 - (v) the property has been mortgaged to the Agricultural Bank of China Limited Baoshan Branch.

- (8) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Contract for Grant of State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Business License	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
<p>4. Unit No. 815 of Retail Street on the west side of Xinhong Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC</p> <p>中國江蘇省無錫市新區鴻山新鎮新鴻路以西的風情街商舖815單元</p>	<p>The property comprises a unit of various 2 to 3-storey buildings erected on a parcel of land with a total site area of 31,715.60 sq.m. which is a portion of whole land with a total site area of approximately 88,903.40 sq.m. and is known as Retail Street of Hongshan New Town.</p> <p>Completed in 2008, the property has a total gross floor area of approximately 2,916.64 sq.m.</p> <p>The property is held with land use rights for a term due to expire on November 29, 2047 for commercial use.</p>	<p>As at the date of valuation, the property was used by the Group as office.</p>	<p>RMB16,500,000</p> <p>(90% interest attributable to the Group: RMB14,850,000)</p>

Notes:

- (1) According to State-owned Land Use Right Certificate No. (2008)2 issued by Wuxi Peoples' Government on January 23, 2008, the land use rights of the property having a total site area of approximately 88,903.4 sq.m. have been vested in 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) (a subsidiary of SRE Group Limited) for a term due to expire on November 29, 2047 for commercial use.
- (2) According to Grant Contract of State-owned Land Use Rights No. (2007) 51 entered into between Wuxi State-owned Land Resources Bureau and 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Limited) on 16 November 2007, the land use rights of the property having a total site area of approximately 88,903.4 sq m have been granted to 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Limited) for a term of 40 years for commercial use at a consideration of RMB138,900,000.
- (3) According to a Building Ownership Certificate issued by Wuxi Real Estate Administrative Bureau on November 18, 2008, the building ownership of the property with a total gross floor area of approximately 2,916.64 sq.m. has been vested in 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) for commercial use with details as follows:

Certificate No.	Address	No. of storey	GFA (sq.m.)
XQ1000109757	No. 815 Zhide Avenue	3	2,916.64

- (4) According to Business License No. 320200400029334 dated November 11, 2009, 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) was established with a registered capital of US\$24,900,000 for an operating period from March 6, 2007 to March 5, 2057. The scope of business comprises the real estate development, public facilities development and property management in Hongshan New Town.
- (5) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:

- (i) the State-owned Land Use Right Certificate and Building Ownership Certificate of the property are legal, valid and protected under the PRC laws and 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) can lawfully enjoy the land use rights under such certificates;
 - (ii) 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) has performed the necessary government approval procedures and has obtained necessary documents in respect of the construction of the property;
 - (iii) 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) has the right to occupy, use and mortgage the land use rights and building ownership of the property during the term of such land use rights in accordance with the PRC laws; and
 - (iv) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled.
- (6) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

State-owned Land Use Rights Certificate	Yes
Grant Contract of State-owned Land Use Rights	Yes
Building Ownership Certificate	Yes
Business License	Yes

VALUATION CERTIFICATE

Group II – Properties held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
5. Various shops in Retail Street of Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區羅店新鎮風情街商舖	<p>Luodian New Town is a comprehensive development comprising retail shops, convention center complex, golf course, clubhouse, driving range, hotel and various land parcels planned for residential developments.</p> <p>The property comprises various shops and public utilities in Luodian New Town.</p> <p>The property was completed in 2004 and renovation works were completed in 2008.</p> <p>The property has a total gross floor area of approximately 72,494.23 sq.m.</p> <p>The property is held with land use rights for a term of 50 years from October 26, 2005 to October 25, 2055 for public facilities use.</p>	<p>As at the date of valuation, portion of the property was subject to various lease agreements at a total monthly rent of RMB620,583 and the last expiry date of the lease agreements was June 30, 2021. The remaining portion of the property was vacant.</p>	<p>RMB420,000,000</p> <p>(72.63% interest attributable to the Group: RMB305,046,000)</p>

Notes:

- (1) According to Shanghai Contract for Grant of State-owned Land Use Rights (2005) No. 141 entered into between Shanghai Baoshan District Housing and Land Administrative Bureau (the “Grantor”) and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) (the “Grantee”) (a subsidiary of SRE Group Limited) on October 26, 2005, the Grantor has granted the land use rights of the land in Luonan Town, Baoshan District, Shanghai to the Grantee. The salient conditions as stipulated in the contract are, inter alia, summarized as follows:

Plot no.	:	Qiu 28/6, Jiefang 12, Luonan Town, Baoshan District
Site area	:	90,329 sq.m.
Land premium	:	RMB22,420,980
Use	:	Public facilities
Land use term	:	50 years
Plot ratio	:	Total floor area shall not be more than 74,912 sq.m.

- (2) According to Shanghai Certificate of Real Estate Ownership No. (2005) 035588 dated October 27, 2005, the salient details as stipulated in the certificate are, inter alia, summarized as follows:

Owner : 上海金羅店開發有限公司
(Shanghai Golden Luodian Development Co., Ltd.)

Location : Lanes 555, 689, 789, 989, Luofen Road, Luonan Town, Baoshan District

Land use : Public facilities

Lot no. : Qiu 28/6, Jiefang 12, Luonan Town, Baoshan District

Land use term : From October 26, 2005 to October 25, 2055 (50 years)

Site area : 90,329 sq.m.

Year of completion : 2004

Gross floor area : 62,628.98 sq.m.

- (3) According to Shanghai Certificate of Real Estate Ownership No. (2008) 028929 dated July 29, 2008, the salient details as stipulated in the certificate are, inter alia, summarized as follows:

Owner : 上海金羅店開發有限公司
(Shanghai Golden Luodian Development Co., Ltd.)

Location : Nos. 63 to 66 in Lanes 555 Luofen Road and Nos. 86 to 88 and Basement car park in Lane 698 Luofen Road

Land use : Public facilities

Lot no. : Qiu 28/6, Jiefang 12, Luonan Town, Baoshan District

Land use term : From October 26, 2005 to October 25, 2055 (50 years)

Site area : 90,329 sq.m.

Year of completion : 2008

Gross floor area : 10,054.01 sq.m.

- (4) According to Business License No. 310000400317858 dated December 3, 2009, 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) was established with a registered capital of RMB548,100,000 for an operating period from September 26, 2002 to September 25, 2027. The scope of business comprises land development in the Luodian New Town area, real estate development for the land obtained by the process of transfer of state-owned land with consideration, provision of public utilities services and construction of municipal facilities, related property management, operation of golf course, driving range, hotel, food and beverage outlets, ancillary shopping arcades (with cigarettes and alcohol), swimming pool, tennis court, yacht berth and convention center.

- (5) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:

- (i) the Shanghai Certificates of Real Estate Ownership of the property are legal, valid and protected under the PRC laws and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) (SGLD) can lawfully enjoy the land use rights under such certificates;
- (ii) SGLD has performed the necessary government approval procedures and has obtained the necessary documents in respect of the construction of the property;

- (iii) SGLD has the right to occupy and use the land use rights and building ownership of the property during the term of such land use rights in accordance with the PRC laws;
 - (iv) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled; and
 - (v) the property has been mortgaged to the Industrial and Commercial Bank of China Limited Huangpu Branch.
- (6) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Contract for Grant of State-owned Land Use Rights	Yes
Shanghai Certificates of Real Estate Ownership	Yes
Business License	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
<p>6. Retail Street and the remaining portion of land on the west side of Xinhong Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC</p> <p>中國江蘇省無錫市新區鴻山新鎮新鴻路以西的風情街商舖</p>	<p>The property comprises various 2 to 3-storey buildings erected on a parcel of land with a total site area of 31,715.60 sq.m. which is a portion of whole land with a total site area of approximately 88,903.40 sq.m. and is known as Retail Street of Hongshan New Town.</p> <p>Completed in 2008, the property comprises a total gross floor area of approximately 12,161.94 sq.m..</p> <p>The property also comprises the remaining land plot of the land with a total site area of approximately 57,187.80 sq.m.</p> <p>As advised by the Group, the remaining phase of Retail Street will be developed on the property with a total gross floor area of approximately 51,450 sq.m.</p> <p>The property is held with land use rights for a term due to expire on November 29, 2047 for commercial use.</p>	<p>As at the date of valuation, portion of the retail street was subject to various lease agreements and the last expiry date of the lease agreements was October 14, 2015.</p> <p>The total monthly rent received was RMB71,999 for the leased portion.</p> <p>The remaining portion of the retail street was vacant.</p> <p>The remaining portion of land was a bare land.</p>	<p>RMB164,000,000</p> <p style="text-align: center;">(90% interest attributable to the Group: RMB147,600,000)</p>

Notes:

- (1) According to State-owned Land Use Right Certificate No. (2008)2 issued by Wuxi Peoples' Government on January 23, 2008, the land use rights of the property having a total site area of approximately 88,903.4 sq.m. have been vested in 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) (a subsidiary of SRE Group Limited) for a term due to expire on November 29, 2047 for commercial use.
- (2) According to Grant Contract of State-owned Land Use Rights No. (2007) 51 entered into between Wuxi State-owned Land Resources Bureau and 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Limited) on 16 November 2007, the land use rights of the property having a total site area of approximately 88,903.4 sq m have been granted to 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Limited) for a term of 40 years for commercial use at a consideration of RMB138,900,000.

- (3) According to ten Building Ownership Certificates all issued by Wuxi Real Estate Administrative Bureau on November 18, 2008, the building ownership of the property with a total gross floor area of approximately 12,161.94 sq.m. has been vested in 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) for commercial use with details as follows:

Certificate No.	Address	No. of storey	GFA (sq.m.)
XQ1000109808-1	No. 803-1 to 803-6 Zhide Avenue	2	976.30
XQ1000109808-2	No. 803-1 to 803-6 Zhide Avenue	2	185.01
XQ1000109809	No. 811 Zhide Avenue	2	2,039.23
XQ1000109805	No. 807-1 to 807-4 Zhide Avenue	2	2,377.02
XQ1000109806	No. 809-1 to 809-2 Zhide Avenue	3	804.30
XQ1000109811	No. 813-1 to 813-2 Zhide Avenue	2	2,361.79
XQ1000109810-1	No. 805-1 to 805-13 Zhide Avenue	2	855.47
XQ1000109810-2	No. 805-1 to 805-13 Zhide Avenue	2	1,063.80
XQ1000109810-3	No. 805-1 to 805-13 Zhide Avenue	2	393.11
XQ1000109807	No. 801-1 to 801-5 Zhide Avenue	2	1,105.91
Total:			<u>12,161.94</u>

- (4) According to Business License No. 320200400029334 dated November 11, 2009, 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) was established with a registered capital of US\$24,900,000 for an operating period from March 6, 2007 to March 5, 2057. The scope of business comprises the real estate development, public facilities development and property management in Hongshan New Town.
- (5) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- (i) the State-owned Land Use Right Certificate and Building Ownership Certificates of the property are legal, valid and protected under the PRC laws and 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) can lawfully enjoy the land use rights under such certificate;
 - (ii) 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) has performed the necessary government approval procedures and has obtained the necessary documents in respect of the construction of the property;
 - (iii) 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) has the right to occupy, use and mortgage the land use rights and building ownership of the property; and
 - (iv) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled.
- (6) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

State-owned Land Use Rights Certificate	Yes
Grant Contract of State-owned Land Use Rights	Yes
Building Ownership Certificates	Yes
Business License	Yes

VALUATION CERTIFICATE

Group III – Property held by the Group for investment and under construction in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
7. Retail portion of Transport Center of Luodian New Town, Baoshan District, Shanghai, the PRC 中國上海市寶山區羅店新鎮交通樞紐的商舖部份	<p>Luodian New Town is a comprehensive development comprising retail shops, convention center complex, golf course, clubhouse, driving range, hotel and various land parcels planned for residential developments.</p> <p>The property comprises the retail portion of Transport Center in Luodian New Town.</p> <p>As advised by the Group, the property is scheduled to be completed in the end of 2010.</p> <p>The property has a total above ground gross floor area of approximately 20,977.90 sq.m. and a total under ground gross floor area of approximately 10,277 sq.m.</p> <p>The property is held with land use rights for terms of 50 years and 40 years from December 15, 2009 for transport use and commercial use respectively.</p>	<p>As at the date of valuation, the property was under construction.</p>	<p>RMB187,000,000</p> <p>(72.63% interest attributable to the Group: RMB135,818,100)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2010) 019799 dated April 29, 2010, the salient details as stipulated in the certificate are, inter alia, summarized as follows:

Owner	:	上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.)
Location	:	Qiu 93/20, Jiefang 10, Luonan Town, Baoshan District
Land use	:	Other commercial use
Land use term	:	From December 15, 2009 to December 14, 2059 (50 years for public transport use) From December 15, 2009 to December 14, 2049 (40 years for commercial use)
Site area	:	17,969.20 sq.m.

- (2) According to Contract for Grant of State-owned Land Use Rights No. (2009) 84 entered into between 上海市寶山區規劃和土地管理局 (Planning and Land Administrative Bureau of Baoshan District of Shanghai Municipality) (the "Grantor") and 上海金羅店開發有限公司 (Shanghai Golden Luodian

Development Co., Ltd.) (the “Grantee”) (a subsidiary of SRE Group Limited) on November 24, 2009, the Grantor has granted the land use rights of a parcel of commercial land to the Grantee with details as follows:

- (i) Location : west of Hutai Road
 - (ii) Site area : 17,969.2 sq.m.
 - (iii) Use : Other commercial use
 - (iv) Consideration : RMB59,400,000
 - (v) Land use term : 50 years for transport use and 40 years for commercial use
- (3) According to Planning Permit of Construction Use of Land No. (2009) EA31011320091523 issued by 上海市寶山區規劃和土地管理局 (Planning and Land Bureau of Baoshan District of Shanghai Municipality) on December 10, 2009, the construction site of the property for transport and commercial uses with a site area of 17,969.20 sq.m. is in compliance with the urban planning requirements.
- (4) As advised by the Group, the total expended construction cost for the property as at the date of valuation was RMB187,000,000 whilst the outstanding construction cost for completion of the property as at the date of valuation was RMB3,000,000. We have taken into account such amounts in our valuation.
- (5) The capital value when completed of the proposed development as at the date of valuation was in the sum of RMB190,000,000.
- (6) According to Business License No. 310000400317858 dated December 3, 2009, 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) was established with a registered capital of RMB548,100,000 for an operating period from September 26, 2002 to September 25, 2027. The scope of business comprises land development in the Luodian New Town area, real estate development for the land obtained by the process of transfer of state-owned land with consideration, provision of public utilities services and construction of municipal facilities, related property management, operation of golf course, driving range, hotel, food and beverage outlets, ancillary shopping arcades (with cigarettes and alcohol), swimming pool, tennis court, yacht berth and convention center.
- (7) We have been provided with a Legal Opinion on the property prepared by the Group’s PRC legal advisor, which contains, inter alia, the following information:
- (i) the Shanghai Certificate of Real Estate Ownership of the property is legal, valid and protected under the PRC laws and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) (SGLD) can lawfully enjoy the land use rights under such certificate;
 - (ii) 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) (SGLD) has performed the necessary government approval procedures and has obtained the necessary documents from the government in respect of the construction of the property;
 - (iii) SGLD has the right to occupy, use and mortgage the land use rights and building ownership of the property; and
 - (iv) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled.

- (8) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Contract for Grant of State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes
Business License	Yes

VALUATION CERTIFICATE

Group IV – Property held by the Group for sale and under construction in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
8. The office portion of Transport Center of Luodian North European New Town, Baoshan District, Shanghai, the PRC	Luodian North European New Town is a comprehensive development comprising retail shops, convention center complex, golf course, clubhouse, driving range, hotel and various land parcels planned for residential developments.	As at the date of valuation foundation works was undertaken.	RMB200,000,000 (72.63% interest attributable to the Group: RMB145,260,000)
中國上海市寶山區羅店新鎮交通樞紐的辦公樓部份	The property comprises the office portion of Transport Center which is under construction in Luodian North European New Town. As advised by the Group, the property is scheduled to be completed in the end of 2012. Upon completion, the property has a total planned above ground gross floor area of approximately 41,200 sq.m. and a total under ground gross floor area of approximately 10,700 sq.m. The property is held with land use rights for terms of 50 years and 40 years from the date of delivery of the land for transport use and commercial use respectively.		

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2010) 019799 dated April 29, 2010, the salient details as stipulated in the certificate are, inter alia, summarized as follows:
- Owner : 上海金羅店開發有限公司
(Shanghai Golden Luodian Development Ltd.)
- Location : Qiu 93/20, Jiefang 10, Luonan Town, Baoshan District
- Land use : Other commercial use
- Land use term : From December 15, 2009 to December 14, 2059 (50 years for public transport use)
From December 15, 2009 to December 14, 2049 (40 years for commercial use)
- Site area : 17,969.20 sq.m.
- (2) According to Grant Contract of State-owned Land Use Rights No. (2009) 84 entered into between 上海市寶山區規劃和土地管理局 (Planning and Land Administrative Bureau of Baoshan District of Shanghai Municipality) (the “Grantor”) and 上海金羅店開發有限公司 (Shanghai Golden Luodian

Development Ltd.) (the "Grantee") (a subsidiary of SRE Group Limited) on 24 November 2009, the Grantor has granted the land use rights of a parcel of commercial land to the Grantee with details as follows:

- | | | | |
|-------|---------------|---|--|
| (i) | Location | : | west of Hutai Road |
| (ii) | Site area | : | 17,969.20 sq.m. |
| (iii) | Use | : | commercial |
| (iv) | Consideration | : | RMB59,400,000 |
| (v) | Land use term | : | 50 years for transport use and 40 years for commercial use |
- (3) According to Planning Permit of Construction Use of Land No. (2009) EA31011320691528 issued by 上海市寶山區規劃和土地管理局 (Planning and Land Bureau of Baoshan District of Shanghai Municipality) on December 10, 2009, the construction site of the property for transport and commercial uses with a site area of 17,969.20 sq.m. is in compliance with the urban planning requirements.
- (4) As advised by the Group, the total expended construction cost for the property as at the date of valuation was RMB92,900,000 whilst the outstanding construction cost for completion of the property as at the date of valuation was RMB262,600,000. We have taken into account such amounts in our valuation.
- (5) The capital value when completed of the proposed development as at the date of valuation was in the sum of RMB494,000,000.
- (6) According to Business License No. 31000040317858 dated December 3, 2009, 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Ltd.) was established with a registered capital of RMB548,100,000 for an operating period from 26 September 2002 to 25 September 2027. The scope of business comprises land development in the Luodian New Town area, real estate development for the land obtained by the process of transfer of state-owned land with consideration, provision of public utilities services and construction of municipal facilities, related property management, operation of golf course, driving range, hotel, food and beverage outlets, ancillary shopping arcades (with cigarettes and alcohol), swimming pool, tennis court, yacht berth and convention center.
- (7) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- | | |
|-------|---|
| (i) | the Shanghai Certificate of Real Estate Ownership of the property is legal, valid and protected under the PRC laws and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) (SGLD) can lawfully enjoy the land use rights under such certificate; |
| (ii) | SGLD has performed the necessary government approval procedures and has obtained the necessary documents in respect of the construction of the property; |
| (iii) | SGLD has the right to occupy, use and mortgage the land use rights and building ownership of the property; and |
| (iv) | all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled. |

- (8) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Contract for Grant of State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes
Business License	Yes

VALUATION CERTIFICATE

Group V – Properties held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
<p>9. A parcel of land beside Crowne Plaza Lake Malaren Shanghai Hotel in Luodian New Town, Baoshan District, Shanghai, the PRC</p> <p>中國上海市寶山區羅店新鎮上海美蘭湖皇冠假日酒店旁邊土地</p>	<p>Luodian New Town is a comprehensive development comprising retail shops, convention center complex, golf course, clubhouse, driving range, hotel and various land parcels planned for residential developments.</p> <p>The property comprises a parcel of land which, together with the sites on which a hotel, and clubhouse are erected, has a site area of approximately 336,491 sq.m. in Luodian New Town.</p> <p>The Group cannot provide evidence to ascertain a separate site area for the portion of land excluding the site area occupied by hotel and clubhouse but advises that the total above ground gross floor area of the hotel and clubhouse is 37,477.35 sq.m.</p> <p>Based on the information in the Grant Contract, the remaining unexpended potential of permissible gross floor area on the property is estimated to be approximately 97,119.05 sq.m. (134,596.40 sq.m. less 37,477.35 sq.m.).</p> <p>As advised by the Group, it is expected that the date of commencement of construction is within first quarter of 2011 pending the issue of relevant permit for construction.</p> <p>The property is held with land use rights for a term of 40 years from July 18, 2003 to July 17, 2043 for commercial use.</p>	<p>As at the date of valuation, the property was a bare land</p>	<p>RMB291,000,000</p> <p>(72.63% interest attributable to the Group: RMB211,353,300)</p>

Notes:

- (1) According to Shanghai Contract for Grant of State-owned Land Use Rights (2003) No. 14 entered into between Shanghai Baoshan District Housing and Land Administrative Bureau (the "Grantor") and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd.) (the "Grantee") (a subsidiary of SRE Group Limited) on July 18, 2003, the Grantor has agreed to grant the land use rights of the land located on the east side of Fuyuan Road, the south side of Malu River and the west side of Panjing Road, Luonan Town, Baoshan District, Shanghai to the Grantee. The salient conditions as stipulated in the contract are, inter alia, summarized as follows:

Location	:	on the east side of Fuyuan Road, the south side of Malu River and the west side of Panjing Road, Luonan Town, Baoshan District, Shanghai
Site area	:	336,491 sq.m.
Land premium	:	RMB47,108,740
Uses	:	Commercial and service
Land use term	:	40 years
Plot ratio	:	Not more than 0.4 (Total floor area shall not be more than 134,596.4 sq.m.)

- (2) According to Shanghai Certificate of Real Estate Ownership No. (2007) 040750 dated October 28, 2007 issued by Shanghai Municipal Building and Land Administrative Bureau, the ownership of the property has been vested in Shanghai Golden Luodian Development Co., Ltd as follows:

Owner	:	Shanghai Golden Luodian Development Co., Ltd.
Location	:	Qiu 88/8, Jiefang 5, Luonan Town, Baoshan District
Land use	:	Commercial
Land use term	:	From July 18, 2003 to July 17, 2043 (40 years)
Site area	:	336,491 sq.m.

- (3) As advised by the Group, there are a hotel and a golf club house building located on the land. The Group cannot provide evidence to ascertain a separate site area for the portion of land occupied by the hotel and clubhouse but advises that the total above ground gross floor area of the hotel and clubhouse is 37,477.35 sq.m.. Based on the information in the Grant Contract, the remaining unexpended potential of permissible gross floor area on the property is estimated to be approximately 97,119.05 sq.m. (i.e. 134,596.40 sq.m. less 37,477.35 sq.m.).

- (4) According to Planning Permit for Construction Use of Land No. (2002) 0275 issued by Planning Administrative Bureau of Baoshan District on December 31, 2002, the construction project of 羅店新鎮高爾夫俱樂部·練習場 (Driving range of golf club of Luodian New Town) on the land parcel situated on the west side of Panjing Road, with a site area of 340,000 sq.m. is in compliance with the urban planning requirements.

- (5) According to Business License No. 310000400317858 dated December 3, 2009, Shanghai Golden Luodian Development Co., Ltd. was established with a registered capital of RMB548,100,000 for an operating period from September 26, 2002 to September 25, 2027. The scope of business comprises land development in the Luodian New Town area, real estate development for the land obtained by the process of transfer of state-owned land with consideration, provision of public utilities services and construction of municipal facilities, related property management, operation of golf course, driving range, hotel, food and beverage outlets, ancillary shopping arcades (with cigarettes and alcohol), swimming pool, tennis court, yacht berth and convention center.

- (6) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- (i) the Shanghai Certificate of Real Estate Ownership of the property is legal, valid and protected under the PRC laws and 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co., Ltd) (SGLD) can lawfully enjoy the land use rights under such certificate;
 - (ii) SGLD has the right to occupy, use and mortgage the land use rights of the property;
 - (iii) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled; and
 - (iv) the property has been mortgaged to the Agricultural Bank of China Limited Baoshan Branch.
- (7) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

Contract for Grant of State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business License	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
10. A parcel of land on the west side of Xinhong Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC 中國江蘇省無錫市新區鴻山新鎮新鴻路以西的一塊土地	<p>The property comprises a parcel of land with a total site area of approximately 69,212.40 sq.m. As advised by the Group, a proposed residential development will be developed on the property with a total gross floor area of approximately 83,054.88</p> <p>The property is held with land use rights for terms of 40 years for commercial use, 70 years for residential use and 50 years for other uses.</p>	<p>As at the date of valuation, the property was a bare land.</p>	<p>RMB175,000,000</p> <p style="text-align: right;">(90% interest attributable to the Group: RMB157,500,000)</p>

Notes:

- (1) According to Contract for Grant of State-owned Land Use Rights No. (2008) 41 entered into between 無錫市國土資源局 (Land Resources Bureau of Wuxi Municipality) (the "Grantor") and 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) (the "Grantee") (a subsidiary of SRE Group Limited) on May 6, 2008, the Grantor has granted the land use rights of a parcel of land to the Grantee with details as follows:

- | | | | |
|-------|---------------|---|---|
| (i) | Location | : | west side of Xinhong Road |
| (ii) | Site area | : | 69,212.40 sq m |
| (iii) | Use | : | residential |
| (iv) | Consideration | : | RMB125,000,000 |
| (v) | Land use term | : | 40 years for commercial use, 70 years for residential use and 50 years for other uses |
| (vi) | Plot ratio | : | 1.05 to 1.2 |

According to Supplemental Contract to the Contract for Grant of State-owned Land Use Rights No. (2008) 41 entered into between the Grantor, the Grantee and 無錫鴻慶房地產開發有限公司 (Wuxi Hongqing Real Estate Development Co. Ltd.) on June 7, 2010 (the "Supplemental Contract"), the grantee under the contract was changed from 無錫鴻山新鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) to Wuxi Hongqing Real Estate Development Co. Ltd. The date of commencement of construction works has been extended to August 30, 2010 and the date of completion of construction of works has been extended to February 28, 2013.

- (2) As advised by the Group, 無錫鴻慶房地產開發有限公司 (Wuxi Hongqing Real Estate Development Co. Ltd.) has no legal impediment to obtain the State-owned Land Use Rights Certificate.
- (3) According to Business License No. 320213000131430 dated April 27, 2010, 無錫鴻慶房地產開發有限公司 (Wuxi Hongqing Real Estate Development Co. Ltd.) was established with a registered capital of RMB8,000,000. The scope of business comprises the real estate development and operation.

- (4) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- (i) The Contract for Grant of State-owned Land Use Rights of the property is legal, valid and protected under the PRC laws;
 - (ii) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled; and
 - (iii) according to the Supplemental Contract, construction of the property is required to commence prior to August 30, 2010 but Wuxi Hongqing Real Estate Development Co. Ltd. has not yet obtained the relevant approval documents in respect of the construction of the property and construction of the property and has not yet commenced. Pursuant to the Contract for Grant of State-owned Land Use Rights No. (2008) 41, the Grantor may impose a fine on Wuxi Hongqing Real Estate Development Co. Ltd. of less than 20% of the land premium payable if construction failed to commence within one year of the construction commencement date prescribed under the Contract for Grant of State-owned Land Use Rights and may take back the land use rights if construction failed to commence within two years of the construction commencement date prescribed under the Contract for Grant of State-owned Land Use Rights.
- (5) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:
- | | |
|---|-----|
| State-owned Land Use Rights Certificate | No |
| Contract for Grant of State-owned Land Use Rights | Yes |
| Supplementary Contract for Grant of State-owned Land Use Rights | Yes |
| Business License | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at October 31, 2010
11. A parcel of land on the north side of Xixian Road, Hongshan New Town, New District, Wuxi, Jiangsu Province, the PRC 中國江蘇省無錫市新區鴻山新鎮錫賢路北側的一塊土地	<p>The property comprises a parcel of land with a total site area of approximately 74,762.9 sq.m. As advised by the Group, a proposed hotel and convention center development will be developed on the property with a total gross floor area of approximately 82,239.19 sq.m.</p> <p>The property is held with land use rights for a term due to expire on February 3, 2050 for commercial use.</p>	<p>As at the date of valuation, the property was a bare land.</p>	<p>RMB170,000,000</p> <p style="text-align: center;">(90% interest attributable to the Group: RMB153,000,000)</p>

Notes:

- (1) According to Contract for Grant of State-owned Land Use Rights No. (2008) 20 entered into between 無錫市國土資源局 (Land Resources Bureau of Wuxi Municipality) (the "Grantor") and 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) (the "Grantee") (a subsidiary of SRE Group Limited) on January 25, 2008, the Grantor has granted the land use rights of a parcel of land to the Grantee with details as follows:

- | | | | |
|-------|---------------|---|-----------------------------|
| (i) | Location | : | north side of Xixian Road |
| (ii) | Site area | : | 74,762.9 sq m |
| (iii) | Use | : | commercial |
| (iv) | Consideration | : | RMB121,900,000 |
| (v) | Land use term | : | 40 years for commercial use |
| (vi) | Plot ratio | : | 1.0 to 1.1 |

According to Supplemental Contract to the Contract for Grant of State-owned Land Use Rights No. (2008) 20 entered into between the Grantor and the Grantee on May 21, 2010, the date of commencement of construction works has been extended to May 30, 2010 and the date of completion of construction of works has been extended to May 30, 2012.

As advised by the Group, the Group is waiting for the relevant authorities issuing relevant permit for construction and no penalty is arisen presently due to the delay of commencement of construction works.

- (2) According to State-owned Land Use Rights Certificate No (2010) 014 dated July 12, 2010, the property has been vested in 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co., Ltd.) for a term due to expire on February 3, 2050 for commercial use.
- (3) According to Business License No. 320200400029334 dated November 11, 2009, 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co. Ltd.) was established with a registered capital of US\$24,900,000 for an operating period from March 6, 2007 to March 5, 2057. The scope of business comprises the real estate development, public facilities development and property management in Hongshan New Town.

- (4) We have been provided with a Legal Opinion on the property prepared by the Group's PRC legal advisor, which contains, inter alia, the following information:
- (i) The state-owned Land Use Rights Certificate and Contract for Grant of State-owned Land Use Rights of the property are legal, valid and protected under the PRC laws;
 - (ii) 無錫鴻山新城開發有限公司 Wuxi, Hongshan New Town Development Co., Ltd.) has the right to use, occupy, and mortgage the land use rights of the property; and
 - (iii) all land premium stated in the Contract for Grant of Stated-owned Land Use Rights have been paid and settled.
- (5) The status of the title and grant of major approvals and licenses in accordance with the information provided to us are as follows:

State-owned Land Use Rights Certificate	Yes
Contract for Grant of State-owned Land Use Rights	Yes
Supplementary Contract for Grant of State-owned Land Use Rights	Yes
Business License	Yes

VALUATION CERTIFICATE

Group VI – Properties leased and occupied by the Group in the PRC

Property	Description and tenure	Capital value in existing state as at October 31, 2010
<p>12. A portion of building at No. 4 Zhenxing Road, Hongshan Town, Wuxi, Jiangsu Province, the PRC</p> <p>中國江蘇省無錫市鴻山鎮振興路4號房屋部份</p>	<p>The property comprises a portion of building.</p> <p>The property has a total gross floor area of approximately 1,922.58 sq.m. and is occupied by the Group as office.</p> <p>The property is leased from an independent third party to 無錫鴻山新城鎮開發有限公司 (Wuxi Hongshan New Town Development Co., Ltd.) (a subsidiary of SRE Group Limited) for a term from March 1, 2009 to March 2, 2011 at an annual rent of RMB250,000.</p> <p>According to the PRC legal opinion, the lessor has provided the Building Ownership Certificate of the property and is entitled to lease the property. The tenancy is valid, legally binding and enforceable.</p>	<p>No commercial value</p>
<p>13. A portion of building at No. 4-1 Zhenxing Road, Hongshan Town, Wuxi, Jiangsu Province, the PRC</p> <p>中國江蘇省無錫市鴻山鎮振興路4-1號房屋部份</p>	<p>The property comprises a portion of building.</p> <p>The property has a total gross floor area of approximately 1,922.58 sq.m. and is occupied by the Group as office.</p> <p>The property is leased from an independent third party to 無錫鴻山新城鎮綠化環保建設有限公司 (Wuxi Hongshan New Town Virescence Environmental Protection Construction Co., Ltd.) (a subsidiary of SRE Group Limited) for a term from July 1, 2009 to June 30, 2011 at an annual rent of RMB250,000.</p> <p>According to the PRC legal opinion, the lessor has provided the Building Ownership Certificate of the property and is entitled to lease the property. The tenancy is valid, legally binding and enforceable.</p>	<p>No commercial value</p>

VALUATION CERTIFICATE

Property	Description and tenancy particulars	Capital value in existing state as at October 31, 2010
<p>14. Golf courses in Luodian New Town, Baoshan District, Shanghai, the PRC</p> <p>中國上海市寶山區羅店新鎮高爾夫球場</p>	<p>The property comprises an existing 36-hole international golf course occupying a site area of approximately 1,146,081 sq.m. (1,719 mu), in Luodian New Town, Baoshan District.</p> <p>The 36-hole international golf course comprises two 18-hole golf courses named the South Lake Course and the North Forest Course. The 18-hole South Lake Course commenced operation in August 2004 and measures 7,248 yards in length and is par 72. The 18-hole North Forest Course, which commenced operation in September 2005 and measures 7,266 yards in length and is par 72.</p> <p>The property is currently under the operation of and managed by 上海美蘭湖高爾夫俱樂部有限公司 (Shanghai Lake Malaren Golf Club Co. Ltd.) (a subsidiary of SRE Group Limited).</p> <p>The property is leased from Luodian Town Government to 上海金羅店開發有限公司 (Shanghai Golden Luodian Development Co. Ltd.) ("SGLD") for a term of 40 years from October 23, 2003. During the lease term, SGLD is exempt from payment of rent but should bear the charge of maintenance of the course, and should pay the business tax related to the operation of the golf course to Luodian Town finance.</p> <p>According to the PRC legal opinion, the lease agreement is binding upon the lessor and lessee. Upon the inquiry of the Group, Luodian Town Government, as the lessor of golf course, failed to provide the land use right documents of the golf course. If SGLD could not use the golf course according to the lease agreement due to the land use right disputes of the golf course, SGLD is entitled to claim the compensation in accordance with the lease agreement.</p>	<p>No commercial value</p>