

The following is the text of a letter and valuation certificates dated 28 April 2017 prepared for the purpose of incorporation in this circular received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation as at 28 February 2017 of the property interests held by the Group.



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Date: 28 April 2017

The Board of Directors
Winfull Group Holdings Limited
Unit A, 6/F
9 Queen's Road Central
Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with the instructions received from Winfull Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out a valuation of various properties located in Hong Kong and the United Kingdom, we confirm that we have carried out property 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 interests as at 28 February 2017 (referred to as the “**Valuation Date**”) for the purpose of incorporation in the circular.

BASIS OF VALUATION

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

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the property interests, we have complied with all the requirements contained in the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors, the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors, the International Valuation Standards (2013) published by the International Valuation Standards Council effective from 1 January 2014 and the rules contained in Rule 11 of the Code on Takeovers and Mergers issued by the Securities and Futures.

VALUATION METHODOLOGY

We have valued the property interests in Group I, Group II (except property no. 5) and Group III on market basis and the direct comparison method is adopted where comparison based on comparable sales evidence as available in the relevant market. Comparable properties of similar size, character, and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

We have valued the property interest of property no. 5 which is currently under development on the basis that it will be developed and completed in accordance with the latest development proposal provided to us. In arriving at our opinion of value, we have adopted the direct comparison method whereas applicable market comparable sales with adjustments are applied and have also taken into account the expended construction costs and the costs that will be spent to complete the development provided by the Group as at the Valuation Date in order to reflect the quality of the completed development.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

No allowance has been made in our valuation for any charges, mortgages or amount owing on any property interests nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their value.

Unless stated as otherwise, we have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of all laws, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, all required licenses, permit, certificate and authorizations have been obtained.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

TITLE INVESTIGATION

We have carried out searches to be made at the Land Registry for the properties located in Hong Kong and the United Kingdom. We have been, in some instances, provided with the extracts of the documents relating to the properties. However, we have not verified ownership of the properties to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION CONSIDERATIONS

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have inspected the exterior and, wherever possible, the interior of the property but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of documents handed to us are correct.

POTENTIAL TAX LIABILITIES

According to the information provided by the Group, the potential tax liabilities which would arise upon disposal of the properties in Hong Kong include stamp duty at a maximum levy rate of 8.5% of the value of the consideration and profit tax at the rate of 16.5% on assessable profit from the sale of the properties. As advised by the Group, property interests held for investment and under development in Hong Kong are not intended for sale so it is unlikely that such tax liabilities will be crystalized in the near future.

The potential tax liabilities which would arise upon disposal of the property in the United Kingdom include income tax at a rate of 20% on profit from the sale of the property. However, please note that if the property is acquired as a genuine investment to generate rental income by non-resident investors with a view to have long-term capital growth, the capital gains derived from the disposal of the property is exempt from UK capital gain tax and the UK income tax will not be applied. If the property is acquired with the sole or main object of realizing a profit on disposal, any gain on disposal will normally be treated as income rather than capital gains and therefore subject to the income tax at 20% as mentioned above. It is likely that the relevant tax liability will be crystalized upon sale. The precise tax implication for the sales of the property will be subject to the prevailing rules and regulations at the time of disposal.

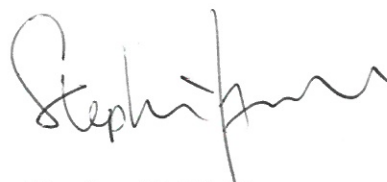
REMARKS

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HKD). The exchange rate adopted in our valuations is GBP1 = HKD9.645 which was the approximate exchange rate prevailing as at the Valuation Date.

For property nos. 1 to 6, the inspections were conducted by Ms. Isabella Qiu (MSc in Construction and Real Estate). For property no. 7, the inspection was conducted by Mr. Stephen Yeung.

We enclose herewith the summary of valuations together with the valuation certificates.

Yours faithfully,
For and on behalf of
Ascent Partners Valuation Service Limited



Stephen Y. W. Yeung
MFin BSc(Hons) Land Adm. MHKIS MRICS MCIREA RPS(GP)
Principal

Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors with over 10 years' experience in valuation of properties in HKSAR, mainland China and United Kingdom. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by HKIS.

SUMMARY OF VALUATIONS

Property Interests	Market value in existing state as at 28 February 2017 HKD	Interests attributable to the Group	Market value attributable to the Group as at 28 February 2017 HKD
Group I – Property interests held by the Group for investment in Hong Kong			
1 Portion No.4, Flat No. 23, Shop Nos. 23A & 23B on Ground Floor and No.23 on Mezzanine Floor, Wing Lee Building, Nos. 27 29 31 31A 31B & 31C Kimberley Road, Kowloon	206,700,000	100%	206,700,000
2 Shop 2 on Ground Floor, Shop 3 on Lower Ground 1 Floor, Open Side Yard, Signage Areas II and Signage Areas III, Grand Scholar, No. 419K Queen’s Road West, Hong Kong	110,700,000	100%	110,700,000
3 Workshops 1-9 on 4th Floor, Kenning Industrial Building, No. 19 Wang Hoi Road, Kowloon, Hong Kong	84,900,000	100%	84,900,000
4 Roof of Block C, Sea View Estate, No.8 Watson Road, Hong Kong	34,800,000	51%	17,748,000
Group I Sub-total:	<u>437,100,000</u>		<u>420,048,000</u>

Property Interests		Market value in existing state as at 28 February 2017 HKD	Interests attributable to the Group	Market value attributable to the Group as at 28 February 2017 HKD
Group II – Property interests held by the Group under development in Hong Kong				
5	Patina, No. 18 Junction Road, Kowloon, Hong Kong	1,351,000,000	30%	405,300,000
6	Nos.142, 144, 146, 148, 150, 152 and 154 Carpenter Road, Kowloon City, Kowloon	527,000,000	51%	268,770,000
Group II Sub-total:		<u>1,878,000,000</u>		<u>674,070,000</u>
Group III – Property interests held by the Group for trading in the United Kingdom				
7	Atlantic House, Tyndall Street, Cardiff, the United Kingdom, CF10 4PP	75,200,000	100%	75,200,000
Group III Sub-total:		<u>75,200,000</u>		<u>75,200,000</u>
Grand Total:		<u><u>2,390,300,000</u></u>		<u><u>1,169,318,000</u></u>

VALUATION CERTIFICATE

Group I - Property interests held by the Group for investment in Hong Kong

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 28 February 2017	
1	<p>Portion No. 4, Flat No. 23, Shop Nos. 23A & 23B on Ground Floor and No. 23 on Mezzanine Floor, Wing Lee Building, Nos. 27 29, 31, 31A, 31B and 31C Kimberley Road, Kowloon</p> <p>21/180th shares of and in Kowloon Inland Lot Nos. 7404, 7416, 7431 and 7465</p>	<p>The property comprises four shop units on ground floor and a shop unit on mezzanine floor of a 21-storey composite building completed in about 1983.</p> <p>As scaled off from the building plans obtained from the Buildings Department, the total saleable area of the property is approximately 3,394 square feet.</p> <p>Kowloon Inland Lot No. 7404 is held under Conditions of Regrant 6061 for a term of 150 years commencing on 25 December 1888.</p> <p>Kowloon Inland Lot No. 7416 is held under Conditions of Regrant 6197 for a term of 150 years commencing on 25 December 1888.</p> <p>Kowloon Inland Lot No. 7431 is held under Conditions of Renewal 6022 for a term of 150 years commencing on 25 December 1888.</p> <p>Kowloon Inland Lot No. 7465 is held under Conditions of Re-grant No. UB6172 for a term of 150 years commencing on 25 December 1888.</p> <p>The total Government rent payable for the lots is HKD1,217 per annum.</p>	<p>Pursuant to the tenancy agreement provided by the Group, the property was leased for shop purpose as stated in Note 3 and 4.</p>	<p>HKD206,700,000</p> <p>(100% attributable interest to the Group: HKD206,700,000)</p>

Notes:

1. The registered owner of the property is Central Fly Limited vide Memorial No. 12061402450031 dated 16 May 2012.
2. The following major encumbrances were registered against the property upon our recent search of the Land Register at the Land Registry:
 - (i) A Deed of Mutual Covenant vide Memorial No. UB436884 dated 9 March 1964; and
 - (ii) A Sub-Deed of Mutual Covenant vide Memorial No. UB8565889 dated 3 December 2001. (Re: For Flat No. 23 on Ground Floor and No. 23 on Mezzanine Floor only).
3. Pursuant to a tenancy agreement dated 13 November 2013 entered into between Central Fly Limited (the “**Lessor**”) and Kai Kee (Food & Beverage Limited (the “**Lessee**”), the property was leased for a term of four years commencing on 15 October 2013 and expiring on 14 October 2017 at a monthly rental of HKD544,000 for the first 3 years of tenancy, HKD648,000 for the fourth year of the tenancy exclusive of rates, Government rent, management fee and utility charge with an option to renew for another 3 years from 15 October 2017 to 14 October 2020 for shop purpose. The details of rent free period are as follows:

From	To
15 October 2013	14 December 2013
15 April 2014	14 May 2014
15 January 2015	14 February 2015
15 September 2015	14 October 2015
15 May 2016	14 June 2016
15 April 2017	14 May 2017

4. Pursuant to a tenancy agreement dated 20 March 2017 entered into between Central Fly Limited (the “**Lessor**”) and Kai Kee (Food & Beverage Limited (the “**Lessee**”), the property was further leased for a term of three years commencing on 15 October 2017 and expiring on 14 October 2020 at a monthly rental of HKD648,000 exclusive of rates, Government rent, management fee and utility charge. The details of rent free period are as follows:

From	To
15 September 2017	14 October 2017
15 February 2018	14 March 2018
15 November 2018	14 December 2018
15 August 2019	14 September 2019
15 May 2020	14 June 2020
15 September 2020	14 October 2020

VALUATION CERTIFICATE

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 28 February 2017	
2	<p>Shop 2 on Ground Floor, Shop 3 on Lower Ground 1 Floor, Open Side Yard, Signage Areas II and Signage Areas III, Grand Scholar, No. 419K Queen's Road West, Hong Kong</p> <p>1456/10100th shares of and in the Remaining Portion of Section A of Marine Lot No. 205</p>	<p>The property comprises one shop unit and a yard on ground floor, one shop unit on Lower Ground 1 Floor and two signage areas in a 26-storey residential building plus two floors below-ground completed in about 2006.</p> <p>As scaled off from the building plans obtained from the Buildings Department, the total saleable area of the property is approximately 7,606 sq.ft. plus a yard of approximately 103 sq.ft.</p> <p>The Remaining Portion of Section A of Marine Lot No. 205 is held under a Government Lease for a term of 999 years commencing on 16 November 1864.</p> <p>The Government rent payable for the lots is HKD118 per annum.</p>	<p>Pursuant to the tenancy agreement provided by the Group, the property was leased for congregation use as stated in Note 3.</p>	<p style="text-align: right;">HKD110,700,000</p> <p style="text-align: right;">(100% attributable interest to the Group: HKD110,700,000)</p>

Notes:

1. The registered owner of the property is Achiever Connect Limited vide Memorial No. 15102801780077 dated 30 September 2015.
2. The following major encumbrances were registered against the property upon our recent search of the Land Register at the Land Registry:
 - (i) An Occupation Permit No. HK 20/2006(OP) vide Memorial No. 06041301670282 dated 7 April 2006; and
 - (ii) A Deed of Mutual Covenant and Management Agreement vide Memorial No. 06052402090445 dated 26 April 2006.
3. Pursuant to a tenancy agreement dated 19 July 2016 entered into between Achiever Connect Limited (the "Lessor") and Hong Kong Mandarin Bible Church Limited (the "Lessee"), the property was leased for a term of three years commencing on 1 November 2016 and expiring on 31 October 2019 at a monthly rental of HKD330,000 exclusive of rates, Government rent, management fee and utility charge for congregation use. The Lessee was entitled to a rent free period from 1 November 2016 to 31 December 2016 and an option to renew for another 3 years at a monthly rental of HKD396,000.

VALUATION CERTIFICATE

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 28 February 2017
3 Workshops 1-9 on 4th Floor, Kenning Industrial Building, No. 19 Wang Hoi Road, Kowloon, Hong Kong	The property comprises nine workshop units and currently converted into three workshop units on 4th Floor of a 14-storey industrial building plus one basement floor completed in about 1986.	Pursuant to the tenancy agreements provided by the Group, Units A and B of the property were leased as stated in Notes 3 and 4.	HKD84,900,000 (100% attributable interest to the Group: HKD84,900,000)
164/1730th shares of and in New Kowloon Inland Lot No. 5831	As scaled off from the building plans obtained from the Buildings Department, the total saleable area of the property is approximately 13,910 sq.ft.	Unit C of the property is vacant in possession.	
	New Kowloon Inland lot No. 5831 is held under Conditions of Sale No. 11469 for a term of 99 years commencing on 1 July 1898 and statutorily extended to 30 June 2047.		
	The Government rent payable for the lot is at three percent of the rateable value per annum.		

Notes:

1. The registered owner of the property is Formal Focus Limited vide Memorial No. 15120702000021 dated 16 November 2015.
2. The following major encumbrances were registered against the property upon our recent search of the Land Register at the Land Registry:
 - (i) An Occupation Permit No. NK32/86 vide Memorial No. UB3078274 dated 2 June 1986; and
 - (ii) A Deed of Mutual Covenant and Management Agreement vide Memorial No. UB3088145 dated 17 June 1986.
3. Pursuant to a tenancy agreement dated 15 February 2016 entered into between Formal Focus Limited (the “Lessor”) and Burnon International Limited (the “Lessee”), Unit A on 4th Floor was leased for a term of two years commencing on 15 February 2016 and expiring on 14 February 2018 at a monthly rental of HKD128,000 inclusive of Government rent, rates, management fee and other outgoings with a rent free period from 15 February 2016 to 31 March 2016.
4. Pursuant to a tenancy agreement dated 20 August 2014 entered into between Waylon Limited (the former registered owner) (the “Lessor”) and Tigers (HK) Company Limited (the “Lessee”), Unit B on 4th Floor was leased for a term of three years commencing on 23 December 2014 and expiring on 22 December 2017 at a monthly rental of HKD66,500 exclusive of Government rent, rates but inclusive of management fee.

VALUATION CERTIFICATE

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 28 February 2017
4. Roof of Block C, Sea View Estate, No. 8 Watson Road, Hong Kong	The property comprises a roof and a signboard space erected upon of a 15-storey non-domestic building completed in 1966.	As at the Valuation Date, the property is vacant in possession.	HKD34,800,000 (51% attributable interest to the Group: HKD17,748,000)
1/3 of 1/95000th shares of and in Section A of Marine Lot No. 293 and Inland Lot No. 1780	<p>The roof area of the property is approximately 8,970 sq.ft.</p> <p>Section A of Marine Lot No. 293 is held under a Government Lease for a term of 75 years renewable for 75 years commencing on 5 November 1906.</p> <p>Inland Lot No. 1780 is held under a Government Lease for a term of 75 years renewable for 75 years commencing on 23 December 1907.</p> <p>The total Government rent payable for the lots is HKD157,368 per annum.</p>		

Notes:

1. The registered owner of the property is Brilliant Icon Limited vide Memorial No. 12012601330026 dated 3 January 2012.
2. The property is subject to a Deed of Mutual Covenant vide Memorial No. UB2226951 dated 23 January 1982.
3. Pursuant to the latest approval letter dated 19 September 2014 issued by the Buildings Department in respect of Building and Structure (Alterations & Additions – Signboard) Amendment, the Group was approved to commence the demolition and re-construction work of steel structure frame of the signboard.

As advised by the Group, the re-construction work of steel structure frame of the signboard has been completed.

VALUATION CERTIFICATE

Group II - Property interests held by the Group under development in Hong Kong

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 28 February 2017	
5	<p>Patina, No. 18 Junction Road, Kowloon, Hong Kong</p> <p>New Kowloon Inland Lot No. 2697;</p> <p>Sub-Section 1, 2, 3 and the Remaining Portion of Section A and the Remaining Portion of New Kowloon Inland Lot No. 2730;</p> <p>Section A and the Remaining Portion of New Kowloon Inland Lot No. 2731;</p> <p>Section A and the Remaining Portion of New Kowloon Inland Lot No. 2794;</p> <p>New Kowloon Inland Lot No. 2847; and</p> <p>The Remaining Portion of New Kowloon Inland Lot No. 2867</p>	<p>Patina (the "Development") is a composite development with a 24-storey residential building (with 4th, 13th, 14th and 24th Floors omitted) erected upon a 3-storey commercial podium plus two basement floors.</p> <p>Pursuant to an Occupation Permit No. KN22/2016, the Development was completed on 30 May 2016.</p> <p>The total site area of the Development is approximately 10,166 sq.ft.</p> <p>Pursuant to the approved building plans provided by the Group, the total gross floor area is approximately 84,365 sq.ft.</p> <p>The lots are held under various Government Leases and Conditions of Exchange Nos. 3992, 3993 and 4086 for a term of 75 years renewable for 24 years commencing on 1 July 1898 and has been statutorily extended to 30 June 2047.</p>	<p>As at the Valuation Date, the property is vacant in possession.</p>	<p>HKD1,351,000,000</p> <p>(30% attributable interest to the Group: HKD405,300,000)</p>

Notes:

1. The registered owner of the property is Everhost Limited.
2. The property is subject to a Mortgage in favour of Hang Seng Bank Limited vide Memorial No. 16062701840150 dated 15 June 2016.
3. In the course of our valuation, we have taken into account the outstanding cost of about HKD40,870,000.
4. The market value of the property as if completed as at the Valuation Date in accordance to the approved building plans provided by the Group, would be HKD1,520,000,000.

VALUATION CERTIFICATE

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 28 February 2017	
6	<p>Nos. 142, 144, 146, 148, 150, 152 and 154 Carpenter Road, Kowloon City, Kowloon</p> <p>New Kowloon Inland Lot No. 3715;</p> <p>Sections A, E and F of New Kowloon Inland Lot No. 3715;</p> <p>New Kowloon Inland Lot No. 3956;</p> <p>New Kowloon Inland Lot No. 3957; and</p> <p>New Kowloon Inland Lot No. 3958</p> <p>(New Lot to be known as New Kowloon Inland Lot No. 6561 after the land exchange)</p>	<p>The property is a corner site in rectangular shape lying along the northern side of Carpenter Road abutting to Junction Road in Kowloon City. It has a site area of about 847.51 sq.m. including seven 5-storey tenement buildings completed in about 1954.</p> <p>As stated in Note 5, the total gross floor area of the redevelopment shall not less than 4,577 sq.m. and not exceeding 7,627 sq.m.</p> <p>Pursuant to the approved building plans provided by the Group, the proposed redevelopment is a composite development with a 21-storey residential building erected upon a 3-storey commercial podium plus one basement floor.</p> <p>New Kowloon Inland Lot Nos. 3715, 3956, 3957 and 3958 are held under various Government Leases all for term of 75 years, each renewable for 24 years commencing on 1 July 1898 and statutorily extended to 30 June 2047.</p> <p>Sections A, E and F of New Kowloon Inland Lot No. 3715 are held under Conditions of Exchange No. UB4754 for a term of 75 years renewable for 24 years commencing on 1 July 1898 and statutorily extended to 30 June 2047.</p> <p>The New Lot will be granted after the land exchange for a term of 50 years from the date of Conditions of Exchange. The Government Rent payable will be three percent of the rateable value per annum.</p>	<p>As at the Valuation Date, the existing buildings are enclosed for future demolition works.</p>	<p style="text-align: right;">HKD527,000,000</p> <p style="text-align: right;">(51% attributable interest to the Group: HKD268,770,000)</p> <p style="text-align: right;">(Please refer to Note 8)</p>

Notes:

1. The registered owner of the property is High Bond Limited.
2. The property is subject to various building orders and notices issued by the Building Authority under the Buildings Ordinance concerning about unauthorized building works, dangerous building and defective or insanitary drainage condition. As confirmed by the Group, the demolition work for the existing buildings is in progress, therefore, we consider that there will be no material impact to our valuation.
3. Pursuant to the Special Conditions of Conditions of Exchange No. UB4754 in respect of the property, it contains, *inter alia*, the following development covenants:

“The lots shall not be used for industrial purposes and no factory building shall be erected thereon.”

“Not more than seven houses shall be erected on N.K.I.L. 3715;”

4. Pursuant to New Kowloon Inland Lot Nos. 3715, 3956, 3957 and 3958 in respect of the property, the Government Lease contains, *inter alia*, the following development covenants:

“...the said Lessees will not use or allow to be used the said piece or parcel of ground or any part thereof or any building erected thereon or any part of such building for industrial purposes and will not erect or allow to be erected any factory building on the said piece or parcel of ground. AND will not erect or allow to be erected on the said piece or parcel of ground more than one house...”

5. Pursuant to a document dated 23 October 2015 from the Lands Department, the details of the proposed Land Exchange are as follow:

Area to be surrendered	:	847.51 square metres (about)
Area to be re-granted	:	847.51 square metres (about) (subject to survey)
Lease Term	:	50 years from the date of Conditions of Exchange
Premium	:	To be determined
Total Administrative Fee	:	To be determined
Total Legal Advisory and Conveyancing Office (“LACO”) Fee	:	To be determined
Government Rent	:	3% of the rateable value from time to time of the new lot
User	:	Non-industrial (excluding godown, hotel and petrol filling station) purposes
Building Covenant	:	54 months from the date of the Conditions of Exchange
Total GFA	:	Not less than 4,577 square metres and not exceeding 7,627 square metres; of which the total GFA for private residential purposes shall not exceed 6,356 square metres
Height	:	No building or buildings erected or to be erected on the lot shall, except with prior written consent of the Director of Lands, exceed 100 metres above HKPD

6. As confirmed by the Group, the proposed land exchange is yet to complete subject to the progress of the removal of the building orders and notices, the demolition work and the assessment of premium. Therefore, the estimated total development cost is unavailable as at the Valuation Date.
7. The market value of the property as if completed as at the Valuation Date in accordance to the approved building plans provided by the Group, would be HKD1,354,000,000.
8. The market value of the property in existing state as at the Valuation Date at HKD527,000,000 was arrived by taking into consideration of the premium to be paid which was assessed by us at HKD132,000,000. The actual premium payable to the Government of Hong Kong SAR will be subject to the assessments to be calculated by the Lands Department.

VALUATION CERTIFICATE

Group III - Property interests held by the Group for trading in United Kingdom

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 28 February 2017
7 Atlantic House, Tyndall Street, Cardiff, the United Kingdom, CF10 4PP	<p>The property comprises a 5-storey office building plus a basement floor for car parking erected upon a site of approximately 0.28 hectares completed in about 1990.</p> <p>The property is situated on Tyndall Street in the heart of Cardiff City Centre, adjacent to Capital Quarter and Callaghan Square, the prime office locations. St David's Shopping Centre and the prime retail core are just a few minutes' walk away. Atlantic House also located within the Cardiff Central Enterprise Zone with nearby occupiers including Eversheds, British Gas, HSBC and Finance Wales.</p> <p>Atlantic House is divided into two portions, namely the Atlantic House East and Atlantic House West, accommodating 70 car parking spaces. As advised by the Group, the net internal floor area of the property is approximately 3,846 sq.m. or 41,399 sq.ft.</p> <p>The property is held under freehold interests.</p>	<p>Pursuant to the tenancy agreement provided by the Group, the property was leased for office purpose as stated in Notes 3 and 4.</p>	<p>HKD75,200,000</p> <p>(100% attributable interest to the Group: HKD75,200,000)</p>

Notes:

1. The registered owner of the property is Next Excel Limited.
2. The property is subject to a charge in favour of The Bank of East Asia Limited.
3. Pursuant to two sets of tenancy agreement provided by the Group, dated 31 May 2011 and 5 October 2012 respectively, entered into between Bailey Hodge Investments Limited (the former registered owner) (the "Lessor") and Capital Law LLP (the "Lessee"), the Atlantic House East was leased for a term expiring on 30 May 2026.

Pursuant to two sets of rent review memorandum provided by the Group, both dated 13 September 2016, entered into between Next Excel Limited (the "Lessor") and Capital Law LLP (the "Lessee"), the total annual passing rent of Atlantic House East as at the Valuation Date was GBP273,674.

4. Pursuant to the tenancy agreement provided by the Group, dated 23 June 2015, entered into between Bailey Hodge Investments Limited (the former registered owner) (the “**Lessor**”) and The University of South Wales (the “**Lessee**”), Atlantic House West was leased for a term of ten years commencing on 25 December 2016 at an annual passing rent of GBP155,456 for the first five years and GBP310,912 for the remaining five years.