

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus, received from American Appraisal China Limited, an independent valuer, in connection with their valuations of the property interests of the Group as at 30th September, 2003.



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25th November, 2003

The Directors
Pan Sino International Holding Limited
Pangeran Jayakarta Street No. 117, B.35, B.37 and B.39
Sawah Besar Village
Mangga Dua Selatan Sub-District
Jakarta Pusat Municipality
DKI Jakarta Province
Republic of Indonesia

Dear Sirs,

In accordance with your instructions to value the property interest owned by Pan Sino International Holding Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) in the Republic of Indonesia (“Indonesia”), we confirm that our affiliate P.T. Asian Appraisal Indonesia (the “Affiliate”) has carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of such property interests as at 30th September, 2003 (the “valuation date”).

BASIS OF VALUATION

Our valuation of the property is our opinion of open market value which we would define as intended to mean “the best price at which the sale of an interest in a property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation assuming:

- i) a willing seller;

- ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- iii) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the valuation date;
- iv) that no account is taken of any additional bid by a purchaser with a special interest; and
- v) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.”

VALUATION METHODOLOGY

Base on the open market approach, the property interests are rented and occupied by the Group are considered to have no commercial value either because of their non-assignability in the open market or there are prohibitions against subletting and/or assignment contained in the respective lease and/or tenancy agreement or the lack of substantial profit rent.

ASSUMPTIONS

Our valuations have been made on the assumption that the owners sell the property interests on the open market without the benefit of any deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to increase the value of such property interests. In addition, no forced sale situation in any manner is assumed in our valuations.

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

We have assumed that all consents, approvals and licences from relevant government authorities for the buildings and structures erected or to be erected thereon have been granted. Also, we have assumed that unless otherwise stated, all buildings and structures erected on the site are held by the owners or permitted to be occupied by the owner.

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

TITLESHIP INVESTIGATION

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

We have relied upon the legal opinion (refer as the “legal opinion”) as stated in the property title report given by Dewi Soeharto Maramis & Partners in relation to the legal title to the property interests in the Republic of Indonesia.

LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by the Group and have accepted advice given to us by the Group on such matters as statutory notices, easements, tenure, occupancy, site and floor areas and all other relevant matters. Dimensions and areas included in the valuation certificate are based on information contained in the documents provided to us and are only approximations.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Group. We were also advised by the Group that no material facts have been omitted from the information so supplied. We consider we have been provided with sufficient information to reach an informed view.

P.T. Asian Appraisal Indonesia has inspected the exterior and, where possible, the interior of the property interests included in the attached valuation certificate. However, no structural survey has been made and we are therefore unable to report as to whether the property interests are or are not free of rot, infestation or any other structural defects. No tests were carried out on any of the services. In the course of our inspection, we did not notice any serious defects.

Neither we nor the Affiliate have carried out investigations on site to determine the suitability of ground conditions and services for the proposed development, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction period.

REMARKS

In our valuation, we have complied with all the requirements contained in the Chapter 8 to the Rules Governing the Listing of Securities on the Growth Enterprise market of The stock Exchange of Hong Kong Limited.

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars. The exchange rate adopted in our valuations as at 30th September, 2003 being IDR1,084 = HK\$1. There has been no significant fluctuation in the exchange rate between that date and the date of this letter.

We enclose herewith the summary of valuations and the valuation certificate.

Yours faithfully,
For and on behalf of
AMERICAN APPRAISAL CHINA LIMITED
Leo C. Ho
BSc., MBA, MTP, MRICS, MHKIS
Vice President

Notes:

1. Leo C. Ho, who is a Chartered Valuation Surveyor and Registered Professional Surveyor, has extensive experience in valuation of properties in Asia.
2. P.T. Asian Appraisal Indonesia is an appraisal firm established in Indonesia since 1973. The appraiser, Mr. Ir. Benny Supriyanto who is a Licensed Valuer of Indonesia and a member of Indonesian Society of Appraisers, has extensive experience in valuation of properties in Indonesia.

SUMMARY OF VALUATION

PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN INDONESIA

Property	Open Market Value in existing state as at 30th September, 2003
<p>1. An office space on 9th Floor Plaza BII Tower 3 M.H. Thamrin Street No. 51 Jakarta Pusat Municipality DKI Jakarta Province Indonesia</p>	No commercial value
<p>2. An office space on 2nd Floor Pangeran Jayakarta Street No. 117, B.35, B.37 and B.39 Sawah Besar Village Mangga Dua Selatan Sub-District Jakarta Pusat Municipality DKI Jakarta Province Indonesia</p>	No commercial value
<p>3. A warehouse Located at Ir. Sutami Street Sudiang Village Biringkanaya Sub-District Makassar Municipality South Sulawesi Province Indonesia</p>	No commercial value

VALUATION CERTIFICATE

PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN INDONESIA

Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 30th September, 2003
1. An office space on 9th Floor Plaza BII Tower 3 M.H. Thamrin Street No. 51 Jakarta Pusat Municipality DKI Jakarta Province Indonesia	<p>The property comprises an office unit on 9th floor of a 12-storey office building completed in about 1996.</p> <p>The total floor area of the property is approximately 294.188 sq.m. (3,167 sq.ft.).</p> <p>The property is leased to PT Nataki Bamasa ("Nataki") from an independent third party for a term commencing from 27th May, 2003 to 29th November, 2004 (with an option to extend for a further term of 3 years) at a monthly rental of US\$14 per sq.m. and a monthly service charges of US\$7 per sq.m..</p>	The property is currently occupied by the Group for office purposes.	No commercial value

Notes:

1. Nataki is a 95% owned subsidiary of the Company.
2. We have been provided with legal opinion on the title to the property interest by the Group's Indonesian legal adviser, which contains, inter alia, the following information:
 - (i) The lessor of the property is PT Royal Oriental;
 - (ii) The Tenancy Agreement ("Agreement") is validly conferred on the Company or Nataki in accordance with the terms of the Agreement and the terms are fully enforceable against the Company or Nataki and the lessor;
 - (iii) The performance by the Company or Nataki and the lessor of their respective obligations does not contravene any laws or other regulations binding on the leased property, its owner or occupier; and
 - (iv) The Company or Nataki is entitled to enjoy possession of the relevant leased property during the term of the tenancy.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 30th September, 2003
2. An office space on 2nd Floor Pangeran Jayakarta Street No. 117, B.35, B.37 and B.39 Sawah Besar Village Mangga Dua Selatan Sub-District Jakarta Pusat Municipality DKI Jakarta Province Indonesia	<p>The property comprises a whole 2nd floor of a 4-storey office building completed in about 1988.</p> <p>The floor area of the property is approximately 216 sq.m. (2,325 sq.ft.).</p> <p>The property is leased to PT Nataki Bamasa (“Nataki”) from an independent third party for a term of 10 years from 27th May, 2003 and expiring on 27th May, 2013 at an annual rental of IDR12,000,000 exclusive of maintenance, telephone, electricity and water supply charges.</p>	<p>The property is currently occupied by the Group for office purposes.</p>	<p>No commercial value</p>

Notes:

1. Nataki is a 95% owned subsidiary of the Company.
2. We have been provided with legal opinion on the title to the property interest by the Group’s Indonesian legal adviser, which contains, inter alia, the following information:
 - (i) The lessor of the property is PT Heradi Utama;
 - (ii) The Tenancy Agreement (“Agreement”) is validly conferred on the Company or Nataki in accordance with the terms of the Agreement and the terms are fully enforceable against the Company or Nataki and the lessor;
 - (iii) The performance by the Company or Nataki and the lessor of their respective obligations does not contravene any laws or other regulations binding on the leased property, its owner or occupier; and
 - (iv) The Company or Nataki is entitled to enjoy possession of the relevant leased property during the term of the tenancy.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 30th September, 2003
3. A warehouse located at Ir. Sutami Street Sudiang Village Biringkanaya Sub-District Makassar Municipality South Sulawesi Province Indonesia	The property comprises a single-storey warehouse complex with a total floor area of approximately 4,608 sq.m. (49,600 sq.ft.). The property is leased to PT Nataki Bamasa ("Nataki") from an independent third party for a term of 5 years from 28th December, 2000 with a monthly rental of IDR5,000,000.	The property is currently occupied by the Group as a warehouse of cocoa inventory.	No commercial value

Notes:

1. Nataki is a 95% owned subsidiary of the Company.
2. We have been provided with legal opinion on the title to the property interest by the Group's Indonesian legal adviser, which contains, inter alia, the following information:
 - (i) The lessor of the property is PT Sumber Adipangan Usaha Tama;
 - (ii) The Tenancy Agreement ("Agreement") is validly conferred on the Company or Nataki in accordance with the terms of the Agreement and the terms are fully enforceable against the Company or Nataki and the lessor;
 - (iii) The performance by the Company or Nataki and the lessor of their respective obligations does not contravene any laws or other regulations binding on the leased property, its owner or occupier; and
 - (iv) The Company or Nataki is entitled to enjoy possession of the relevant leased property during the term of the tenancy.