
APPENDIX III

PROPERTY VALUATION

*The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this document received from **Vigers Appraisal and Consulting Limited**, an independent valuer, in connection with the valuations of the property interests of the properties rented by the [Group] as at [31 May 2010].*

Vigers Appraisal and Consulting Limited

International Property Consultants

10th Floor, The Grande Building

398 Kwun Tong Road

Kowloon

Hong Kong



[●] 2010

The Board of Directors
Tsun Yip Holdings Limited
[Flat 314 on 3/F,
[Fuk Shing Commercial Building],
28 On Lok Mun Street,
Fanling,
New Territories,
Hong Kong

Dear Sirs,

In accordance with your instruction for us to value the property interests held by Tsun Yip Holdings Limited (referred to as “the Company”) and its subsidiaries (hereinafter together referred to as “the Group”) as listed in the attached Summary of Values, we confirm that we have inspected the properties, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of values of the property interests of the properties as at [31 May 2010] (the “Valuation Date”).

Basis of Valuation

Our valuations are our opinion of market values of the property interests of the properties in concern which is defined as intended to mean “*the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller on an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion*”. Our valuations have been prepared in accordance with “The HKIS Valuation Standards on Properties (First Edition 2005)” published by The Hong Kong Institute of Surveyors, the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Property Categorisation

[In respect of the property interests of the properties rented by the Group in the Hong Kong Special Administrative Region (“Hong Kong”), we are of the opinion that such property interests carry no commercial value due to the prohibition against assignment or sub-letting or otherwise due to lack of substantial profit rent and/or the short term nature of the property interests.]

APPENDIX III**PROPERTY VALUATION**

Title Investigation

The properties are located in Hong Kong and we have conducted land searches for the properties but we have not searched the original documents to ascertain ownership nor to verify any lease amendments which may not appear on the copies handed to us.

Valuation Assumptions

Our valuations have been made on the assumption that the property interests of the properties can be sold in the prevailing market in existing state without the effect of any deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which may serve to affect the values of the property interests of the properties, unless otherwise noted or stated. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the property interests of the properties, and no allowance has been made for the property interests of the properties to be sold to a single party and/or as a portfolio or portfolios.

In valuing the property interests of the properties, we have assumed that the owners of the property interests of the properties in concern have free and uninterrupted rights to use and assign the properties during the whole of the unexpired terms granted subject to the payment of usual land-use fees.

No investigation has been carried out to determine the suitability of the ground conditions or the services for any property development(s) erected on the properties. Our valuations have been carried out on the assumption that these aspects are satisfactory. We have also assumed that all necessary consents, approvals and licences from relevant government authorities have been or will be granted without onerous conditions or delay. Other special assumptions for the property interests of the properties have been stated in the footnotes of the respective valuation certificate.

Valuation Consideration

We have inspected the properties included in the attached valuation certificate. During the course of our inspections, we did not note any serious defect. However, neither structural survey nor test on any of the services has been made and we are therefore unable to report as to whether the properties are free from rot, infestation or other structural or non-structural defect.

APPENDIX III**PROPERTY VALUATION**

Having examined all relevant documentation, we have relied to a considerable extent on the information given by the [Group], particularly in respect of [planning approvals, statutory notices, easements, tenure, [site and] floor areas, occupancy status, building age and specifications, and in the identification of the properties in concern].

Unless otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us by the [Group] and are therefore approximations. We have had no reason to doubt the truth and accuracy of the information made available to us and we have been advised by the [Group] that no material facts have been omitted from the information so given.

Unless otherwise noted, we have not carried out detailed on-site measurement to verify the correctness of the site and floor areas in respect of the properties in concern but we have assumed that the [site and] floor areas shown on the documents handed to us are correct.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests of the properties being valued for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the property interests of the properties are free from any encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the values of the property interests of the properties.

Remarks

We declare hereby that we are independent to the [Group] and we are not interested directly or indirectly in any shares in any member of the [Group]. We do not have any right or option whether legally enforceable or not to subscribe for or to nominate persons to subscribe for any shares [in any member of the Group].

We enclose herewith our Summary of Values and Valuation Certificate.

Yours faithfully,
For and on behalf of
VIGERS APPRAISAL AND CONSULTING LIMITED
David W. I. CHEUNG
MRICS MHKIS RPS(GP) CREA MCI Arb
Executive Director

Note: Mr. David W. I. Cheung is a Registered Professional Surveyor in General Practice Division with over 27 years' valuation experience on properties in Asia Pacific including the People's Republic of China and Hong Kong, who has been vetted 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 The Hong Kong Institute of Surveyors, and is suitably qualified for undertaking valuations relating to listing exercises.

APPENDIX III

PROPERTY VALUATION

SUMMARY OF VALUES

No. Property Address	Capital Value in Existing State as at [31 May 2010]	Interest attributable to the Group	Capital Value attributable to the Group as at [31 May 2010]
<i>Group 1 - Property Interests Rented by the Group in Hong Kong</i>			
1. [Unit 14 on 3rd Floor, Fuk Shing Commercial Building, No. 28 On Lok Mun Street, North, New Territories, Hong Kong]			[No commercial value]
2. [Unit 3 on 3rd Floor, Fuk Shing Commercial Building, No. 28 On Lok Mun Street, North, New Territories, Hong Kong]			[No commercial value]
3. [Ground Floor, No. 86 San Uk Ka, Tai Po, New Territories, Hong Kong]			[No commercial value]
4. Flat B (with A/C (rooms) pertaining thereto which is/are accessible from the flat itself) on 21st Floor of Tower 8, The Palazzo, No. 28 Lok King Street, Shatin, New Territories, Hong Kong			[No commercial value]
5. Rooms 1 & 3 on 7th Floor, Anton Building, No. 1 Anton Street, Wan Chai Hong Kong			[No commercial value]
GRAND TOTAL			<u>[NO COMMERCIAL VALUE]</u>

APPENDIX III

PROPERTY VALUATION

VALUATION CERTIFICATE

Property Interests Rented by the Group in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Capital Value in Existing State as at [31 May 2010]
1.	[Unit 14 on 3rd Floor, Fuk Shing Commercial Building, No. 28 On Lok Mun Street, North, New Territories, Hong Kong] [All those 21/1380th shares of parts or parcels of ground known and registered at the Land Registry as Fanling Sheung Shui Town Lot No. 162]	The property comprises an office unit on the 3rd floor in a [6]-storey office building completed in 1999. As measured from the [assignment plan], the property has a [saleable area] of approximately [1,398] square feet ([129.91] square metres). Fanling Sheung Shui Town Lot No. 162 is held under New Grant No. 13092 commencing on 19 November 1996 and expiring on 30 June 2047 at an annual Government Rent equivalent to 3% of the then Rateable Value. Pursuant to a [tenancy agreement] entered into between [Golden Opportunity Development Limited] as lessor and [Tsun Yip Waterworks Construction Co., Ltd] as lessee dated [27 August 2008], the property is leased for a term of [two years] commencing on [1 September 2008] and expiring on [31 August 2010] at a monthly rent of HK\$[20,000], inclusive of [Government Rent, Rates and management fees, but exclusive of other out-goings].	[The property is occupied by the Group for office use.]	[No commercial value]

Note (Property 1):

1. The current registered owner of the property is “Golden Opportunity Development Limited”.
2. Pursuant to our land search record, the property is subject to the following salient encumbrances:
 - i. Certificate of Compliance vide Memorial No. N468856 dated 25 January 2000;
 - ii. Occupation Permit (Permit No. NT 60/99) vide Memorial No. N473125 dated 6 November 1999;
 - iii. Deed of Mutual Covenant and Management Agreement vide Memorial No. N483900 dated 29 May 2000;
 - iv. Tripartite Legal Charge/Mortgage for All Monies in favour of Standard Chartered Bank (Hong Kong) Limited vide Memorial No. N568375 dated 28 August 2004; and
 - v. Rental Assignment vide Memorial No. N568376 dated 28 August 2004.
3. The property lies on an area zoned “Industrial” under Fanling / Sheung Shui District Outline Zoning Plan [(No. S/FSS/14)] dated [13 January 2009].

APPENDIX III

PROPERTY VALUATION

No.	Property	Description and Tenure	Particulars of Occupancy	Capital Value in Existing State as at [31 May 2010]
2.	<p>[Unit 3 on 3rd Floor, Fuk Shing Commercial Building, No. 28 On Lok Mun Street, North, New Territories, Hong Kong]</p> <p>All those 13/1380 shares of parts or parcels of ground known and registered at the Land Registry as Fanling Sheung Shui Town Lot No. 162</p>	<p>The property comprises an office unit on the 3th floor in a [6]-storey office building completed in 1999.</p> <p>As measured from the [assignment plan], the property has a [saleable area] of approximately [854] square feet ([79.35] square metres).</p> <p>Fanling Sheung Shui Town Lot No. 162 is held under New Grant No. 13092 commencing on 19 November 1996 and expiring on 30 June 2047 at an annual Government Rent equivalent to 3% of the then Rateable Value.</p> <p>Pursuant to a [tenancy agreement] entered into between [Golden Opportunity Development Limited] as lessor and [Tsun Yip Waterworks Construction Co., Ltd] as lessee dated [8 September 2009], the property is leased for a term of [two years] commencing on [7 October 2009] and expiring on [6 October 2011] at a monthly rent of HK\$[8,800], inclusive of [Government Rent, Rates and management fees , but exclusive of other out-goings].</p>	<p>[The property is occupied by the Group for office use.]</p>	<p>[No commercial value]</p>

Note (Property 2):

1. The current registered owner of the property is “Golden Opportunity Development Limited”.
2. Pursuant to our land search record, the property is subject to the following salient encumbrances:
 - i. Certificate of Compliance vide Memorial No. N468856 dated 25 January 2000;
 - ii. Occupation Permit (Permit No. NT 60/99) vide Memorial No. N473125 dated 6 November 1999;
 - iii. Deed of Mutual Covenant and Management Agreement vide Memorial No. N483900 dated 29 May 2000;
 - iv. Tripartite Legal Charge/Mortgage for All Monies in favour of Standard Chartered Bank (Hong Kong) Limited vide Memorial No. N568375 dated 28 August 2004; and
 - v. Rental Assignment vide Memorial No. N568376 dated 28 August 2004.
3. The property lies on an area zoned “Industrial” under Central District Outline Zoning Plan [(No. S/H3/21)] dated [13 January 2009].

APPENDIX III

PROPERTY VALUATION

No.	Property	Description and Tenure	Particulars of Occupancy	Capital Value in Existing State as at [31 May 2010]
3.	[Ground Floor, No. 86 San Uk Ka, Tai Po, New Territories, Hong Kong] [All those certain parts or parcels of ground known and registered at the Land Registry as Sub-Section 13 of Section A of Lot No. 20 in D.D. 21	<p>The property comprises [a residential unit on ground floor in a 3-storey house] completed in or about [2003].</p> <p>According to our on-site measurement, the property has a [saleable area] of approximately [673.42] square feet ([62.563] square metres).</p> <p>The property is held under Government Lease for a term of 75 years commencing on 1st July 1898 renewed for a further lease term of 24 years less the last three days and has been renewed for a further lease term of 50 years expiring on 30th June 2047 without paying additional premium but an annual Government Rent equivalent to 3% of the then Rateable Value by virtue of the relevant provisions contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of the People’s Republic of China on the question of Hong Kong as well as the New Territories Leases (Extension) Ordinance 1988.</p> <p>Pursuant to a [tenancy agreement] entered into between [Wong Yuet Sang] as lessor and [Tsun Yip Waterworks Construction Co., Ltd] as lessee dated [16 July 2009], the property is leased for a term of [two years] commencing on [1 August 2009] and expiring on [31 July 2011] at a monthly rent of HK\$[7,500], inclusive of [Government Rent and Rates, but exclusive of other out-goings].</p>	[The property is occupied by the Group for office use.]	[No commercial value]

Note (Property 3):

1. No sub-division registration for the property is made available at the Land Registry. Pursuant to our land search record, the property is registered at the Land Registry as “No. 86 San Uk Ka, Tai Po, New Territories, Hong Kong” and the current registered owner of the property is “Wong Yuet Sang”.
2. Pursuant to our land search record, the property is subject to the following salient encumbrances:
 - i. Deed of Grant of Right of Way vide Memorial No. TP581823 dated 6 October 1997;
 - ii. Deed of Grant of Right of Way vide Memorial No. TP709887 dated 17 September 2003;

APPENDIX III**PROPERTY VALUATION**

- iii. Deed of Consent regarding R.P. & SS.13 of S.A of Lot No. 20 in DD21 vide Memorial No. TP710665 dated 10 October 2003;
 - iv. Re-registration of Deed of Agreement and Undertaking (previously registered by Memorial No. TP709888) vide Memorial No. TP713676 dated 17 September 2003;
 - v. Building Licence No. 177/2002 from District Lands Officer Tai Po for and on behalf of The Chief Executive of the HKSAR vide Memorial No. TP717016 dated 27 January 2004;
 - vi. Deed of Dedication vide Memorial No. TP717508 dated 29 December 2003; and
 - vii. Permission Letter from District Lands Officer/Tai Po vide Memorial No. 05110900350123 dated 6 October 2005.
3. The property lies on an area zoned “Village Type Development” under Tai Po District Outline Zoning Plan (No. S/TP/21) dated 23 January 2009.

APPENDIX III

PROPERTY VALUATION

No.	Property	Description and Tenure	Particulars of Occupancy	Capital Value in Existing State as at [31 May 2010]
4.	<p>[Flat B (with A/C (rooms) pertaining thereto which is/are accessible from the flat itself) on 21st Floor of Tower 8, The Palazzo, No. 28 Lok King Street, Sha Tin, New Territories, Hong Kong]</p> <p>All those [14/ 25263th shares] of parts or parcels of ground known and registered at the Land Registry as Sha Tin Town Lot No. 470</p>	<p>The property comprises a residential unit on the 21st Floor in a [37]-storey [(designation of 7th, 13th Floor, 14th Floor, 17th Floor, 24th Floor, 27th Floor, 34th Floor, 37th Floor, 40th Floor to 49th Floor, 53rd Floor, 54th Floor, 57th Floor to 59th Floor and 64th Floor omitted, 29th Floor designated as Refuge Floor, 16th Floor and 18th Floor designated as Sky Garden Floors)] residential building erected over a [3]-storey club house/carpark podium completed in 2008.</p> <p>According to the developer’s sales brochure, the property has a gross floor area of approximately [1,835] square feet ([170.48] square metres). As measured from the Assignment Plan, the property has a saleable area of approximately [1,415] square feet ([131.46] square metres) including balcony of appropriately 41 square feet (3.81 square metres) and utility platform of appropriately 16 square feet (1.49 square metres) but excluding bay window of appropriately 46 square feet (4.27 square metres).</p> <p>The property is held under New Grant No. ST13170 for a term of 50 years commencing on 3 March 2003 at an annual Government Rent equivalent to 3% of the then Rateable Value.</p> <p>Pursuant to a [Tenancy Agreement] entered into between [Kim Nam Woon and Yu Su Yeon] as lessors and [Tsun Yip Waterworks Construction Company Limited] as lessee dated [1 April 2010], the property is leased for a term of [two years] commencing on [16 April 2010] and expiring on [15 April 2012] at a monthly rent of HK\$[37,000], inclusive of [Government Rent, Rates and management fees, but exclusive of other out-goings].</p>	<p>[The property is occupied by the Group for domestic use.]</p>	<p>[No commercial value]</p>

APPENDIX III**PROPERTY VALUATION**

Note (Property 4):

1. [The current registered owners of the property are “Kim Nam Woon” (1/2) and “Yu Su Yeon” (1/2) (Tenants in common)].
2. Pursuant to our land search record, the property is subject to the following salient encumbrances:
 - i. Occupation Permit Nos. PR7/2008 (OP) and PR1/2009(OP) from Building Authority of Hong Kong vide Memorial Nos. 08121902440019 and 09020502080017 dated 12 December 2008 and 23 January 2009 respectively;
 - ii. Certificate of Compliance vide Memorial No. 09042902560310 dated 24 April 2009;
 - iii. Deed of Mutual Covenant and Management Agreement in favour of MTR Corporation Limited (Manager) vide Memorial No. 09051802240182 dated 4 May 2009;
 - iv. Mortgage to Secure All the Banking Facilities made or to be made Available to the Mortgagor in favour of Standard Chartered Bank (Hong Kong) Limited vide Memorial No. 09061000880093 dated 21 May 2009;
and
 - v. Second Mortgage to Secure All Moneys in respect of General Credit Facilities in favour of Rich Treasure Investments Limited vide Memorial No. 09061000880105 dated 21 May 2009.
3. The property lies on an area zoned “Other Specified Uses(Railway Depot Comprehensive Development Area)” under Sha Tin Outline Zoning Plan (No.S/ST/23) dated [5 June 2007].

APPENDIX III

PROPERTY VALUATION

No.	Property	Description and Tenure	Particulars of Occupancy	Capital Value in Existing State as at [31 May 2010]												
5.	[Rooms 1 & 3 on 7th Floor, Anton Building, No. 1 Anton Street, Wan Chai, Hong Kong] All those certain portion of 2/34th shares of parts or parcels of ground known and registered at the Land Registry as Sub-Section 2 of section A of Marine Lot No. 65	<p>The property comprises two office units on the 7th floor in a 15-storey office commercial building completed in 1984.</p> <p>According to our on-site measurement, the property has a total saleable area of approximately [156] square feet ([14.49] square metres) with breakdown shown as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Portion</th> <th colspan="2" style="text-align: center;">Saleable Area</th> </tr> </thead> <tbody> <tr> <td>Room 1</td> <td style="text-align: right;">78 sq.ft.</td> <td style="text-align: right;">7.28 sq.m.</td> </tr> <tr> <td>Room 3</td> <td style="text-align: right;"><u>78 sq.ft.</u></td> <td style="text-align: right;"><u>7.21 sq.m.</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>156 sq.ft.</u></td> <td style="text-align: right;"><u>14.49 sq.m.</u></td> </tr> </tbody> </table> <p>Marine Lot No. 65 is held under Government Lease for a term of 999 years commencing on 25 June 1863 with total Government Rent payable of HK\$26.00 per annum.</p> <p>Pursuant to a [sub-lease agreement] and a [supplementary tenancy agreement] entered into between [Hong Kong Listo Limited] as lessor and [Tsun Yip Waterworks Construction Co., Ltd] as lessee dated [1 May 2009] and [7 May 2010] respectively, the property is sub-leased for a term of [two years and six months] commencing on [1 May 2009] and expiring on [31 October 2011] at a monthly rent of HK\$[4,000], inclusive of [Government Rent, Rates and management fees, but exclusive of other out-goings].</p>	Portion	Saleable Area		Room 1	78 sq.ft.	7.28 sq.m.	Room 3	<u>78 sq.ft.</u>	<u>7.21 sq.m.</u>	Total	<u>156 sq.ft.</u>	<u>14.49 sq.m.</u>	[The property is occupied by the Group for office use.]	[No commercial value]
Portion	Saleable Area															
Room 1	78 sq.ft.	7.28 sq.m.														
Room 3	<u>78 sq.ft.</u>	<u>7.21 sq.m.</u>														
Total	<u>156 sq.ft.</u>	<u>14.49 sq.m.</u>														

Note (Property 5):

1. [The current registered owner of the property is “Super Pizza Holdings Limited”].
2. Pursuant to our land search record, the property is subject to Deed of Mutual Covenant (previously registered by Memorial No. UB2571530) vide Memorial No. UB3948191 dated 10 April 1984.
3. The property lies on an area zoned “Residential (Group A)” under Wan Chai District Outline Zoning Plan (No. S/H5/2) dated [6 November 2007].