

*The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this prospectus received from Sallmanns (Far East) Limited, an independent valuer, in connection with their valuations as at 30th September, 2001 of the property interests of the Group.*



CHARTERED SURVEYORS, PROPERTY CONSULTANTS  
LAND, BUILDING, PLANT & MACHINERY VALUERS  
FINANCIAL AND INTANGIBLE ASSET VALUERS

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17th December 2001

The Directors  
Codebank Limited  
Units 2801-05, 28th Floor  
Island Place Tower  
Island Place  
No. 510 King's Road  
North Point  
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests in which Codebank Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in Hong Kong and the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such property interests as at 30th September, 2001.

#### **BASIC OF VALUATION**

Our valuations of the property interests are our opinion of the open market value which we would define as intended to mean "the best price at which the sale of an interest in a property would have been completed unconditionally for cash consideration on the date of the valuation" assuming:

- (a) a willing seller;
- (b) 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 sales;
- (c) 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 date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion."

**VALUATION METHODOLOGY**

In valuing the property interests in Group I and Group II which are rented by the Group, we are of the opinion that they have no commercial value either because of their non-assignability in the open market or there are prohibitions against sub-letting and/or assignment contained in the respective leases and/or tenancy agreements or the lack of marketable and substantial profit rents.

**TITLE INVESTIGATION**

For the property interests located in Hong Kong, we have not been provided with copies of the title documents relating to the property interests but have caused searches to be made at the Land Registry in Hong Kong. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us.

For those property interests located in the PRC, we have not searched the title of the property interests and have not scrutinized and the original title documents. We have been given copies of the tenancy agreements under which the property interests were leased to the Group.

**VALUATION CONSIDERATIONS**

Our valuations have been made on the assumption that the property interests can be sold in the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the values of the property interests.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the relevant property interests but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have inspected the exterior of the property interests included in the attached valuation certificates, in respect of which we have been provided with such information as we have required for the purpose of our valuations. However, no structural survey has been made, but in the course of our inspections we did not note any apparent serious defects. We are not, however, able to report that the property interests are free from rot, infestation or any other structural defects. No tests were carried out to any of the services.

We have relied to a considerable extent on the information provided to us by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, completion dates of buildings, particulars of occupancy, lettings, 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 to reach an informed view, and have no reason to suspect that any material information has been withheld.

No allowance has been made in our report 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 affecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Our valuations have been prepared under generally accepted valuation procedures and in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

**REMARKS**

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars.

Our valuations are summarised below and the valuation certificates are attached herewith.

Yours faithfully,  
for and on behalf of  
**SALLMANN (FAR EAST) LIMITED**  
**Paul L. Brown**  
BSc, FRICS, FHKIS  
*Director*

*Note* : Paul L. Brown is a Chartered Surveyor who has 18 years' of experience in the valuation of properties in the PRC and 21 years' of property valuation experience in Hong Kong, the United Kingdom and the Asia Pacific region.

## SUMMARY OF VALUES

## Group I – Property interests rented and occupied by the Group in Hong Kong

Property	Open market value in existing state as at 30th September, 2001 HK\$	Percentage interest attributable to the Group	Open market value attributable to the Group as at 30th September, 2001 HK\$
1. Units Nos. 01, 02, 03, 04 and 05 on 28th Floor Island Place Tower Island Place No. 510 King's Road North Point Hong Kong	No commercial value	100%	No commercial value

## Group II – Property interests rented and occupied by the Group in the PRC

Property	Open market value in existing state as at 30th September, 2001 HK\$	Percentage interest attributable to the Group	Open market value attributable to the Group as at 30th September, 2001 HK\$
2. Unit M on 9th Floor Office Tower Beijing New Century Hotel No. 6 Southern Road Capital Gym Haidian District Beijing The PRC	No commercial value	100%	No commercial value
3. Units 04-05 on 7th Floor Hong Kong Plaza Nos. 282-283 Hwai Hai Zhong Road Shanghai The PRC	No commercial value	83.25%	No commercial value

## VALUATION CERTIFICATE

## Group I – Property interests rented and occupied by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th September, 2001 HK\$
1. Units Nos. 01, 02, 03, 04 and 05 on 28th Floor Island Place Tower Island Place No. 510 King's Road North Point Hong Kong	<p>The property comprises 5 office units on 28th floor of a 29-storey commercial building completed in about 1999.</p> <p>The property has a gross floor area of 10,498 sq.ft. (975.3 sq.m.) or thereabouts.</p> <p>The property is rented to Codebank Limited from an independent third party for a term of 3 years from 1st April, 2000 to 31st March, 2003 at a monthly rental of HK\$131,225.00 exclusive of rates, air-conditioning, management charges and cleaning expenses.</p>	The property is currently occupied by the Group for office purposes.	No commercial value

## Group II – Property interests rented and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th September, 2001 HK\$
2. Unit M on 9th Floor Office Tower Beijing New Century Hotel No. 6 Southern Road Capital Gym Haidian District Beijing The PRC	<p>The property comprises an office unit on 9th floor of a 18-storey commercial building completed in about 1998.</p> <p>The property has a gross floor area of 1,206 sq.ft. (112 sq.m.) or thereabouts.</p> <p>The property is rented to Codebank Limited from an independent third party for a term of 1 year from 1st February, 2001 to 1st February, 2002 at a monthly rental of US\$2,688.00 exclusive of common charge and management fees.</p> <p>The common charge for repair and maintenance and service charges is US\$244.00 per calendar month.</p>	The property is currently occupied by the Group for office purposes.	No commercial value
3. Units 04-05 on 7th Floor Hong Kong Plaza Nos. 282-283 Hwai Hai Zhong Road Shanghai The PRC	<p>The property comprises 2 office units on the 7th floor of a 29-storey commercial building completed in about 1998.</p> <p>The property has a gross floor area of 3,326 sq.ft. (309 sq.m.) or thereabouts.</p> <p>The property is rented to Campus Online (Shanghai) Limited from an independent third party for a term of 2 years from 1st September, 2000 to 31st August, 2002 at a monthly rental of US\$4,560.00 exclusive of management fees, air-conditioning and utilities charges. The air-conditioning and management charges are RMB9,888.00 per calendar month.</p>	The property is currently occupied by the Group for office purposes.	No commercial value

Note : Campus Online (Shanghai) Limited is a 83.25% owned subsidiary of the Company.