

The following is the text of a letter, summary of values and valuation certificate, prepared for the purposes of incorporation in this prospectus received from Chesterton Petty Limited, an independent valuer, in connection with their valuations as at 30th April, 2000 of the property interests of the Group.



International Property Consultants

Chesterton Petty Ltd
16/F., CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

20th June, 2000

The Directors
Excel Technology International Holdings Limited
Rooms 3306-3307
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Dear Sirs

In accordance with your instructions for us to value various property interests held by Excel Technology International Holdings Limited (the "Company") or its subsidiaries (together referred to as the "Group"), we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the open market values of these property interests as at 30th April, 2000.

Our valuation is 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 property would have been completed unconditionally for cash consideration on the date of 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 the price and terms and for the completion of the sale;
- (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.”

Our valuation has been made on the assumption that the owner sells the property interests in the open market without the benefit of any deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interests and no forced sale situation in any manner is assumed in our valuation.

We have valued the property interests in Group I with reference to sales evidence as available on the market assuming that vacant possession of the properties would be readily available upon completion of a sale.

The property interests in Group II have no commercial value mainly due to their short term nature or the prohibition or restriction against assignment/sub-letting or the lack of substantial profit rent.

We have been provided with extracts of title documents relating to the property interests in Group II and we have caused searches to be made for the property interests in Group I at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us.

We have relied to a very considerable extent on information given by you and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancy, tenancy particulars, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents and tenancy agreements provided to us and are therefore only approximations.

We have inspected the exterior of the properties and where possible, we have also inspected the interior of the premises. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report that these properties are free from rot, infestation or any other structural defect. No tests were carried out to any of the services.

We have not arranged for any investigation to be carried out to determine whether or not all equipment, plant and machinery and services which form part of, or are contained within the properties are year 2000 compliant. We are therefore unable to report that these equipment, plant and machinery and services are year 2000 compliant. For the purposes of this valuation, we have assumed that the values of the property interests will not be adversely affected by the year 2000 problem.

No allowance has been made in our valuation for any charge, mortgage or amount owing on any property interest nor for any expense or taxation which may be incurred in effecting 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.

We enclose herewith a summary of values and our valuation certificate.

Yours faithfully
For and on behalf of
Chesterton Petty Limited
Charles C K Chan
ARICS FHKIS MCI Arb RPS(GP)
Executive Director

SUMMARY OF VALUES

Property	Open market value in existing state as at 30th April, 2000
Group I — Properties owned and occupied by the Group	
1. Flat B on 21st Floor of Block 5 and Car Port No. LG273 on Lower Ground Floor, Braemar Hill Mansions, 15-43 Braemar Hill Road, North Point, Hong Kong	HK\$10,000,000
2. Flat D on 9th Floor, Floral Tower, 22 Robinson Road, Mid-levels, Hong Kong	HK\$4,000,000
Sub-Total	<u>HK\$14,000,000</u>

Property	Open market value in existing state as at 30th April, 2000
Group II — Properties rented by the Group	
3. Rooms 3306 and 3307 on 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong	No commercial value
4. Suites 1005, 1006 and 1007 on 10th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	No commercial value
5. Suite 1405 on 14th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	No commercial value
6. 46th Floor, The Center, 99 Queen's Road Central, Hong Kong	No commercial value
Sub-Total	<u>No commercial value</u>
Grand Total	<u><u>HK\$14,000,000</u></u>

VALUATION CERTIFICATE

Group I — Properties owned and occupied by the Group

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2000
1. Flat B on 21st Floor of Block 5 and Car Port No. LG273 on Lower Ground Floor, Braemar Hill Mansions, 15-43 Braemar Hill Road, North Point, Hong Kong 17/13,531st shares of and in The Remaining Portion of Inland Lot No. 8398 .	<p>Braemar Hill Mansions comprises fifteen 25-storey residential buildings with ancillary car parking spaces and communal recreational facilities completed in 1978.</p> <p>The property comprises a residential unit on the 21st Floor of Block 5 of the development with a gross floor area of approximately 152.36 sq. m. (1,640 sq. ft.) and a covered car parking space on the lower ground floor of the development.</p> <p>Inland Lot No 8398 is held under Conditions of Exchange No. 10799 for a term of 999 years from 11th July, 1893. The annual rent payable for Inland Lot No. 8398 is HK\$1,032.</p>	The property is currently occupied by a Director as staff quarters.	HK\$10,000,000

Notes:

- (1) The registered owner of the property is Excel Technology International (Hong Kong) Limited (formerly known as Excel Consultancy Limited), a wholly-owned subsidiary of the Group.
- (2) The property is subject to a legal charge/mortgage to secure general banking facilities in favour of The Bank of East Asia, Limited.

Property	Description and tenure	Particulars of occupancy	Open market value in existing state as at 30th April, 2000
<p>2. Flat D on 9th Floor, Floral Tower, 22 Robinson Road, Mid-levels, Hong Kong</p> <p>150/17,000th shares of and in Section A and Section B and The Remaining Portion of Inland Lot No. 347, The Remaining Portion of Sub-section 2 of Section E of Inland Lot No. 717, The Remaining Portion of Section E of Inland Lot No. 717, Sections B and C of Inland Lot No. 717, The Remaining Portions of Sub-sections 1 and 2 of Section A of Inland Lot No. 392, Section A and Section B of Sub-section 1 of Section A of Inland Lot No. 392 and Section A of Sub-section 2 of Section A of Inland Lot No. 392.</p>	<p>Floral Tower is a 31-storey residential building over a 2-level commercial/carparking podium completed in 1992.</p> <p>The property comprises a residential unit on the 9th Floor of the building with a gross floor area of approximately 72.37 sq. m. (779 sq. ft.).</p> <p>Inland Lots Nos 347, 392 and 717 are each held under a Government lease for a term of 999 years from 27th November, 1849, 17th March, 1855 and 25th June, 1861 respectively. The total annual rent payable for Inland Lots Nos. 347 and 392 is 1 pound 14 shillings 2 pence. The annual rent payable for Inland Lot No. 717 is HK\$7.28.</p>	<p>The property is currently occupied by a Director as staff quarters.</p>	<p>HK\$4,000,000</p>

Note:

The registered owner of the property is Excel Technology International (Hong Kong) Limited (formerly known as Excel Consultancy Limited), a wholly-owned subsidiary of the Group.

Group II — Properties rented by the Group

Property	Description and tenancy particulars	Particulars of occupancy	Open market value in existing state as at 30th April, 2000
3. Rooms 3306 and 3307 on 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong	<p data-bbox="534 432 919 629">China Resources Building comprises a 46-storey main office tower and a 3-storey office tower surmounting a 4-storey exhibition hall/commercial arcade and three-levels of carparking basement completed in 1982.</p> <p data-bbox="534 663 919 801">The property comprises two office units on the 33rd Floor of the main office tower with a total saleable area of approximately 456.15 sq. m. (4,910 sq. ft.).</p> <p data-bbox="534 835 919 1059">The property is rented by the Group under a tenancy agreement for a term of three years from 1st August, 1999 at a monthly rent of HK\$99,738 exclusive of rates and air-conditioning charges but inclusive of management fees and Government rent.</p> <p data-bbox="534 1093 919 1176">The Government rent for the lot on which the building stands is HK\$1,000 per annum.</p>	The property is currently occupied by the Group as an office.	No commercial value

Property	Description and tenancy particulars	Particulars of occupancy	Open market value in existing state as at 30th April, 2000
4. Suites 1005, 1006 and 1007 on 10th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	<p data-bbox="533 371 900 568">Great Eagle Centre is a 30-storey (including penthouse, three refuge floors and one mechanical floor) office building surmounting a 10-level (including two basement levels) commercial/carparking podium completed in 1983.</p> <p data-bbox="533 602 911 741">The property comprises three office units on the 10th Floor of the building with a total saleable area of approximately 338.54 sq. m. (3,644 sq. ft.).</p> <p data-bbox="533 775 919 972">The property is rented by the Group under a tenancy agreement for a term of three years from 1st June, 1999 at a monthly rent of HK\$86,856 exclusive of rates, air-conditioning and service charges but inclusive of Government rent.</p> <p data-bbox="533 1005 908 1084">The Government rent for the lot on which the building stands is HK\$1,000 per annum.</p>	The property is currently occupied by the Group as an office.	No commercial value

Property	Description and tenancy particulars	Particulars of occupancy	Open market value in existing state as at 30th April, 2000
5. Suite 1405 on 14th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	<p>Great Eagle Centre is a 30-storey (including penthouse, three refuge floors and one mechanical floor) office building surmounting a 10-level (including two basement levels) commercial/carparking podium completed in 1983.</p> <p>The property comprises an office unit on the 14th Floor of the building with a saleable area of approximately 158.31 sq. m. (1,704 sq. ft.).</p> <p>The property is rented by the Group under a tenancy agreement for a term from 1st May, 1999 to 31st May, 2002 at a monthly rent of HK\$39,960 exclusive of rates, air-conditioning and service charges but inclusive of Government rent.</p> <p>The Government rent for the lot on which the building stands is HK\$1,000 per annum.</p>	<p>The property is currently occupied by the Group as an office. However, by a sub-tenancy agreement, the Group has sub-leased the property to Net Fun Limited, a company which the Group has a 10% interest, for a term from 1st June, 2000 to 24th May, 2002 at a monthly rent of HK\$39,960 exclusive of rates, air-conditioning and service charges but inclusive of Government rent.</p>	No commercial value

Property	Description and tenancy particulars	Particulars of occupancy	Open market value in existing state as at 30th April, 2000
6. 46th Floor, The Center, 99 Queen's Road Central Hong Kong	<p>The Center is a 70-storey commercial/office tower over a 3-level basement carpark completed in 1998. Office floors are located at the 9th to 79th Floors (13th, 14th, 24th, 34th, 44th, 54th, 64th and 74th Floors are omitted for numbering).</p> <p>The property comprises the whole of the office space on the 46th Floor of the building with a saleable area of approximately 1,754.83 sq. m. (18,889 sq. ft.).</p> <p>The property is rented by the Group under a lease for a term of six years from 15th March, 2000 at a monthly rent of HK\$655,614 for the first to fourth years and HK\$852,299 for the fifth to sixth years exclusive of Government rent, rates, management and air-conditioning charges.</p> <p>The Government rent for the lot on which the building stands is at 3% of the rateable value for the time being of the lot.</p>	<p>By a sub-tenancy agreement, a portion of the property with a saleable area of approximately 857.67 sq.m. (9,232 sq.ft.) is sub-leased to i21 Limited, a company which the Group has a 37.5% interest, for a term from 15th March, 2000 to 28th February, 2006 at a monthly rent of HK\$327,807 for the first to fourth years and HK\$426,149.5 for the remaining term of the sub-lease exclusive of rates, Government rent, management and air-conditioning charges. The remaining portion of the property is occupied by the Group as an office.</p>	No commercial value