

**DAVIS LANGDON & SEAH
CHINA LIMITED**

QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS

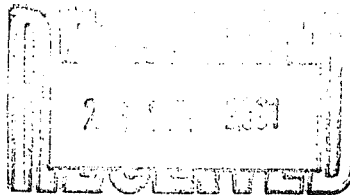
威寧謝中國有限公司 : 工料測量師及建設本值顧問

香港禧街77號樓中心2101室 電話 : 28303600 圖文傳真 : 28780416 E-mail: dlshk@dlshk.com

26 September 2001

Our Ref.: MB-122/01 (PKY/2001/297)

LWK & Partners (HK) Ltd.
9/F, Pacific Plaza
410 Des Voeux Road West
HONG KONG



2101 Leighton Centre
77 Leighton Road
Hong Kong
Tel: 2850 8500
Fax: 2576 0416
E-Mail: dlshk@dlshk.com
www.davislangdon.com

For the attention of
Mr. Ronald Liang/Mr. Moses Leung

Dear Sirs,

**WEST KOWLOON WATERFRONT DESIGN COMPETITION
PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT
LAND VALUE ESTIMATES**

We have pleasure in enclosing our write-up on the financial section for the captioned for your reference.

Should you have any query or require any further input from our office or DTZ, please do not hesitate to contact us.

Yours faithfully,

Kenneth K Y Poon
For and on behalf of
DAVIS LANGDON & SEAH HONG KONG LIMITED

Encls.

c.c. T.R. Hamzah & Yeang Sdn. Bhd. - Dr. Ken Yeang) (603) 4256 1005 and e-mail
DTZ Debenham Tie Loung Limited - Mr K. B Wong) 2530 1502

PKY/td

LWK & Partners (HK) Ltd

FAX NOTE	
Date	26/9 No. of Pages 4
To	Brady Chung
Co./Dept.	TR
Fax No.	
From	Ronald Liang
Phone No.	2574 1633
Fax No.	2572 4908

- Directors** 董事 : Ku Moon Lun 馬滿麟 Kenneth K Y Poon 潘振濶 Joseph Y K Lew 李應祺 D C Mackay 麥佳 Rita K P Au 歐錦輝
Cheung Suk Hoi 張子翹 A C Ruxton 麥維敦 Peter K M Ho 何錦銘 Francis K M Au 區啟明
- Deputy Directors** 副董事 : Chan Chi Kai 陳智佳 John W Ching 蔣維傑 Ricardo C P Cheung 張志平 Tsui Hock Kuen 徐維權
Simon K M Au 蘇偉文 M J Johnston 麥日財士敦
- Assistant Directors** 助理董事 : K N Yam 任顯輝 Dilys L L Ho 何麗玲 Peter H M Law 羅漢文 M O Lal 黎文安 Frank H L Kwok 郭曉嵐
William K H Fong 方劍豪 Jonathan C K Lo 羅志強 Lyander M L Lam 林英玲 Wong Chiu Ying 黃麗雲
Daniel P Luk 陸偉 Cynthia K P Ngan 司徒潔英 Lai Pak Hung 黎北熊

DAVIS LANGDON & SEAH INTERNATIONAL 威寧謝國際

- Offices** 事務所 : Hong Kong 香港 Beijing 北京 Shanghai 上海 Guangzhou 廣州 Singapore 新加坡 Manila 馬尼拉 Bangkok 曼谷
Bandar Seri Begawan 斯里巴加灣市 Penang 檳城 Kuala Lumpur 吉隆坡 Kota Kinabalu 哥打峇魯 Johor Bahru 峇株
Kuching 古晉 Jakarta 雅加達 Hanoi 河內 Ho Chi Minh City 胡志明市 Surabaya 泗水 Melbourne 墨爾本 Sydney 悉尼
Brisbane 布里斯班 Dhaka 達卡 Perth 珀斯 Cairns 凱仕 United Kingdom 英國 Spain 西班牙 United States of America 美國
The Czech Republic 捷克 Qatar 卡塔爾 Bahrain 巴林 United Arab Emirates 阿拉伯聯合酋長國 France 法國 Beirut 貝魯特 Africa 非洲
- Associated Offices** 專營事務所 : Canada 加拿大 West Africa 西非 Eritrea 厄利特蘭 New Zealand 新西蘭

WEST KOWLOON WATERFRONT DESIGN COMPETITION
PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT
LAND VALUE ESTIMATES

1. Basis of Estimate

The Master Planning incorporates Public Facilities (e.g. Arts and Recreational Facilities, Parklands etc.) and Private Facilities (e.g. Offices, Hotels and Residential Towers etc.) It is assumed in our cost estimate that the infrastructure and Public Facilities shall be undertaken by the Hong Kong Government, directly or indirectly, and the Private Facilities shall be constructed by private developers after sales of the respective land parcels.

Our Preliminary Construction Cost Estimate therefore covers only the infrastructure and construction cost of Public Facilities only. Certain landscaping works that forms a part of the overall design concept but which falls within the site boundaries of the Private Facilities have not been allowed for, assuming such works shall form part of the future Land Lease Conditions which the private developers would have to carry out as part of their obligations.

We have done a Preliminary Development Land Value Estimate for the proposed Private Facilities. The respective values have been based on total accommodation values as recommended by the Land Consultant less estimated extra-ordinary expenses that the private developers would encounter in the development of the respective land lots (e.g. marine piles, marine deck etc.)

The two estimates together give a balanced picture of the costs incurred and value created by the proposed Master Plan.

**2. WEST KOWLOON WATERFRONT DESIGN COMPETITION
PRELIMINARY CONSTRUCTION COST ESTIMATE OF
PUBLIC FACILITIES**

25th September, 2001

	GFA	Estimated Construction Cost
	(m ²)	(HK\$)
1. Indoor Facilities		
1.1 Imax Centre (bare shell)	3,600	36,000,000
1.2 Art Gallery	8,100	162,000,000
1.3 Performing Art Centre	19,800	396,000,000
1.4 Sports/leisure/amenities facilities	21,600	324,000,000
1.5 Opera House	12,500	375,000,000
	65,600	1,293,000,000
2. Outdoor Facilities		
2.1 Works to existing seawalls		65,000,000
2.2 Outdoor Amphitheatre (10,000m ²)		50,000,000
2.3 Recreational Park (22,400m ²)		134,400,000
2.4 Landscape Park (51,800m ²)		207,200,000
2.5 Water Park (26,600m ²)		35,000,000
2.6 Cultural Waterfront Walk		270,000,000
		761,600,000
3. Infra-structure		
3.1 Roadworks (53,460m ²)		278,000,000
3.2 Mono Rail (1.6km and 3 stations)		400,000,000
3.3 Footbridge to Kowloon Park		100,000,000
3.4 Provisions for fresh water, flushing water, fire services, stormwater and sewer for both Government Constructed and Private Constructed developments		227,000,000
		1,005,000,000
4. Relocation of Existing Public Facilities		
4.1 Relocation of existing Fire Station		200,000,000
4.2 Relocation of existing School		110,000,000
		310,000,000
Total Anticipated Construction Cost at August 2001 Price Level	HK\$	3,369,600,000
5. Exclusions		
5.1 Professional fees, project supervision fees and legal fees;		
5.2 Financing charges;		
5.3 Fitting out works to Imax Centre;		
5.4 Fluctuation in construction costs from August 2001 price level to those at the date of tenders.		
5.5 Soft costs, e.g. opening and operating expenses for the various facilities.		

**3. WEST KOWLOON WATERFRONT DESIGN COMPETITION
ESTIMATE OF DEVELOPMENT LAND VALUES**

25th September, 2001

	GFA	Estimated Land Value
	(m ²)	(HK\$)
1. Retail	186,900	2,692,140,000
2. Residential	144,000	2,266,630,000
3. Hotel	133,500	2,562,030,000
4. Office	208,000	1,668,620,000
Total Estimated Land Value at August 2001 accommodation values	HK\$	9,189,420,000

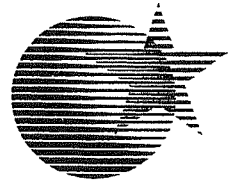
5. Exclusions

- 5.1 Auction or Land Tender fees.
- 5.2 Fluctuation in accommodation values from August 2001 level to those at date of land sales.

DAVIS LANGDON & SEAH CHINA LIMITED

QUANTITY SURVEYORS : CONSTRUCTION COST CONSULTANTS
威寧謝中國有限公司 : 工料測量師及建設本值顧問

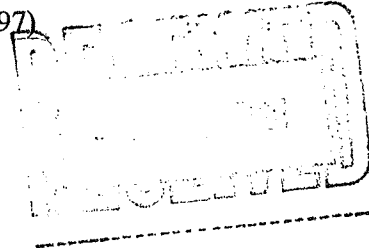
香港禮頓道 77 號禮頓中心 2101 室 電話 : 28303500 圖文傳真 : 25760416 E-mail: dlshk@dlshk.com



26 September 2001

Our Ref.: MB-122/01 (PKY/2001/297)

LWK & Partners (HK) Ltd.
9/F, Pacific Plaza
410 Des Voeux Road West
HONG KONG



2101 Leighton Centre
77 Leighton Road
Hong Kong
Tel: 2830 3500
Fax: 2576 0416
E-Mail: dlshk@dlshk.com
www.davislangdon.com

For the attention of
Mr Ronald Liang/Mr Moses Leung

Dear Sirs,

WEST KOWLOON WATERFRONT DESIGN COMPETITION PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT LAND VALUE ESTIMATES

We have pleasure in enclosing our write-up on the financial section for the captioned for your reference.

Should you have any query or require any further input from our office or DTZ, please do not hesitate to contact us.

Yours faithfully,

Kenneth K Y Poon
For and on behalf of
DAVIS LANGDON & SEAH HONG KONG LIMITED

Encls.

c.c. T.R. Hamzah & Yeang Sdn. Bhd. - Dr. Ken Yeang) (603) 4256 1005 and e-mail
DTZ Debenham Tie Leung Limited - Mr K B Wong) 2530 1502

IF		
TL		BC
CL		PN
KL		LM
AH		TW
EP		EC
AM		PL
AT		LT
TY		BW
SW		CF
TC		
EC		

PKY/tl

Directors 董事 : Ku Moon Lun 古滿麟 Kenneth K Y Poon 潘根濃 Joseph Y K Lee 李應祺 D C Mackay 麥佳 Eric K F Au 歐錦輝
Cheung Sek Hoi 張石開 A G Ruxton 黎誠敦 Peter K M Ho 何錦銘 Francis K M Au 區啟明
Deputy Directors 副董事 : Chan Chi Kai 陳智佳 John W Chiang 蔣惟 Ricardo C P Cheung 張志平 Tsui Shek Kuen 徐錫權
Simon K M So 蘇健文 M J Johnston 麥甘莊士敦
Assistant Directors 助理董事 : K S Yam 任銀森 Dilys L L Ho 何麗玲 Peter H M Law 羅漢文 M O Lai 黎文安 Frank H L Kwok 郭曉嵐
William K H Fong 方劍豪 Jonathan C K Lo 盧志強 Lysander M L Lam 林美玲 Wong Chin Ying 黃展營
Daniel P Luk 陸普 Cynthia K F Szeto 司徒潔芳 Lai Pak Hung 黎北熊

0005

DAVIS LANGDON & SEAH INTERNATIONAL 威寧謝國際

Offices 事務所 : Hong Kong 香港 Beijing 北京 Shanghai 上海 Guangzhou 廣州 Singapore 新加坡 Manila 馬尼拉 Bangkok 曼谷
Bandar Seri Begawan 斯里巴加灣市 Penang 檳城 Kuala Lumpur 吉隆坡 Kota Kinabalu 哥打基納巴盧 Johor Bahru 巴魯
Kuching 古晉 Jakarta 雅加達 Hanoi 河內 Ho Chi Minh City 胡志明市 Surabaya 泗水 Melbourne 墨爾本 Sydney 悉尼
Brisbane 布里斯班 Hboart 霍巴特 Perth 柏斯 Cairns 健仕 United Kingdom 英國 Spain 西班牙 United States of America 美國
The Czech Republic 捷克 Qatar 卡塔爾 Bahrain 巴林 United Arab Emirates 阿拉伯聯合酋長國 France 法國 Beirut 貝魯特 Africa 非洲
Associated Offices 東莞事務所 : Canada 加拿大 West Africa 西非 East Africa 東非 New Zealand 新西蘭

WEST KOWLOON WATERFRONT DESIGN COMPETITION
PRELIMINARY CONSTRUCTION COST AND DEVELOPMENT
LAND VALUE ESTIMATES

1. Basis of Estimate

The Master Planning incorporates Public Facilities (e.g. Arts and Recreational Facilities, Parklands etc.) and Private Facilities (e.g. Offices, Hotels and Residential Towers etc.) It is assumed in our cost estimate that the infrastructure and Public Facilities shall be undertaken by the Hong Kong Government, directly or indirectly, and the Private Facilities shall be constructed by private developers after sales of the respective land parcels.

Our Preliminary Construction Cost Estimate therefore covers only the infrastructure and construction cost of Public Facilities only. Certain landscaping works that forms a part of the overall design concept but which falls within the site boundaries of the Private Facilities have not been allowed for, assuming such works shall form part of the future Land Lease Conditions which the private developers would have to carry out as part of their obligations.

We have done a Preliminary Development Land Value Estimate for the proposed Private Facilities. The respective values have been based on total accommodation values as recommended by the Land Consultant less estimated extra-ordinary expenses that the private developers would encounter in the development of the respective land lots (e.g. marine piles, marine deck etc.)

The two estimates together give a balanced picture of the costs incurred and value created by the proposed Master Plan.

WEST KOWLOON WATERFRONT DESIGN COMPETITION
PRELIMINARY CONSTRUCTION COST ESTIMATE OF
PUBLIC FACILITIES

25th September, 2001

	GFA	Estimated Construction Cost	
	(m ²)	(HK\$)	
1. Indoor Facilities			
1.1	Imax Centre (bare shell)	3,600	36,000,000
1.2	Art Gallery	8,100	162,000,000
1.3	Performing Art Centre	19,800	396,000,000
1.4	Sports/leisure/amenities facilities	21,600	324,000,000
1.5	Opera House	12,500	375,000,000
		<hr/>	<hr/>
	65,600		1,293,000,000
2. Outdoor Facilities			
2.1	Works to existing seawalls		65,000,000
2.2	Outdoor Amphitheatre (10,000m ²)		50,000,000
2.3	Recreational Park (22,400m ²)		134,400,000
2.4	Landscape Park (51,800m ²)		207,200,000
2.5	Water Park (26,600m ²)		35,000,000
2.6	Cultural Waterfront Walk		270,000,000
		<hr/>	<hr/>
			761,600,000
3. Infra-structure			
3.1	Roadworks (53,460m ²)		278,000,000
3.2	Mono Rail (1.6km and 3 stations)		400,000,000
3.3	Footbridge to Kowloon Park		100,000,000
3.4	Provisions for fresh water, flushing water, fire services, stormwater and sewer for both Government Constructed and Private Constructed developments		227,000,000
		<hr/>	<hr/>
			1,005,000,000
4. Relocation of Existing Public Facilities			
4.1	Relocation of existing Fire Station		200,000,000
4.2	Relocation of existing School		110,000,000
		<hr/>	<hr/>
			310,000,000
		<hr/>	<hr/>
	Total Anticipated Construction Cost at August 2001 Price Level	HK\$	3,369,600,000
5. Exclusions			
5.1	Professional fees, project supervision fees and legal fees;		
5.2	Financing charges;		
5.3	Fitting out works to Imax Centre;		
5.4	Fluctuation in construction costs from August 2001 price level to those at the date of tenders.		
5.5	Soft costs, e.g. opening and operating expenses for the various facilities.		

0007

3. WEST KOWLOON WATERFRONT DESIGN COMPETITION
ESTIMATE OF DEVELOPMENT LAND VALUES

25th September, 2001

	GFA	Estimated Land Value
	(m2)	(HK\$)
1. Retail	186,900	2,692,140,000
2. Residential	144,000	2,266,630,000
3. Hotel	133,500	2,562,030,000
4. Office	208,000	1,668,620,000
		<hr/>
Total Estimated Land Value at August 2001 accommodation values	HK\$	9,189,420,000

5. Exclusions

5.1 Auction or Land Tender fees.

5.2 Fluctuation in accommodation values from August 2001 level to those at date of land sales.

0008