

The following is the text of a letter, summary of valuations and valuation reports prepared for the purpose of incorporation in this listing document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market values in existing state of the Properties of the Group in the PRC as at 31 December 2022.



27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

3 March 2023

The Directors
KRP Development Holdings Limited
Unit 80, 7/F., Woon Lee Commercial Building
7–9 Austin Ave, Tsim Sha Tsui
Hong Kong

Dear Sirs,

Instructions, Purpose & Valuation Date

In accordance with your instructions for us to value the “Properties” of KRP Development Holdings Limited (嘉創房地產控股有限公司) (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market values in existing state of the Properties as at 31 December 2022 (the “**Valuation Date**”).

** The English names of Chinese entities marked with “*” are translations of their Chinese names and are included for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name will prevail.*

Definition of Market Value

Our valuations of each of the Properties represent its Market Value which in accordance with HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (“**HKIS**”) is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Valuation Basis & Assumptions

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuations of the Properties situated in the PRC, with reference to the PRC Legal Opinion of the Company's PRC legal advisor, Fangda Partners (方達律師事務所), dated 3 March 2023 the "PRC Legal Opinion", we have prepared our valuation on the basis that transferable land use rights in respect of the Properties for the respective specific term at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Company and the PRC Legal Opinion, regarding the title to the Properties and the interest in the Properties. In valuing the Properties, we have prepared our valuations on the basis that the owner has enforceable title to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the unexpired terms as granted.

No allowance has been made in our valuations for any charges, pledges or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the Properties is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Method of Valuation

In valuing the Property in Group I which is held for development by the Group in the PRC, we have valued the Property on the basis that it will be developed and completed in accordance with the latest development proposal provided to us by the Group. We have valued on the basis that all consents, approvals, and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays; that the design and construction of the development are in compliance with the local planning and other relevant regulations and have been approved by the relevant authorities. In arriving at our valuation, we have adopted Market Comparison Method by making reference to comparable sales evidences as available in the relevant market.

In valuing the Properties in Group II which are held for sale in the PRC, we have adopted Market Comparison Method assuming sale of the Properties in existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors. This method is in line with market practice.

In valuing the Property in Group III which is held for investment in the PRC, in the absence of relevant market data to arrive at the market value of the Property by means of market-based evidence, we have valued the Property by Depreciated Replacement Cost Method. It requires a valuation of the market value of the land in its existing use by Market Comparison Method by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors; and an estimate of the new replacement cost of the buildings and structures, from which deductions are made to allow for the age, condition and functional obsolescence. The market value by Depreciated Replacement Cost Method only applies to the whole of the Property as a unique interest, and no piecemeal transaction of the Property is assumed.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Properties are better than the comparable properties, an upward adjustment is made. Alternatively, if the Properties are inferior or less desirable than the comparable properties, a downward adjustment is made.

In valuing the Properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and HKIS Valuation Standards 2020.

Source of Information

In the course of our valuations, we have relied to a considerable extent on the information given by the Group and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the Properties, particulars of occupancy, tenancy details, pre-sold consideration, development scheme, construction costs, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation reports are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal advisor regarding the legality and interpretation of these documents.

Title Investigation

We have been provided by the Group with copies of documents in relation to the current title to the Properties. However, we have not been able to conduct searches to verify the ownership of the Properties; we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the Properties in the PRC and we have therefore relied on the advice given by the PRC Legal advisor and the Group.

Site Inspection

Our Shenzhen Office valuer Sabrina Zhao 趙新 (2 years of valuation experience) have inspected the exterior and, wherever possible, the interior of the Properties in July 2022. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Moreover, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Currency

Unless otherwise stated, all monetary amounts indicated herein our valuations are in Renminbi (RMB) which is the official currency of the PRC.

Market Uncertainty Volatility

The recent outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property will be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our valuations of the Properties are valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our valuations when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.

Other Disclosure

We hereby confirm that Cushman & Wakefield Limited and the valuers conducting the valuations have no pecuniary or other interests that could conflict with the proper valuations of the Properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We attach herewith the summary of valuations and valuation reports.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Philip C Y Tsang
Registered Professional Surveyor (General Practice)
MSc, MHKIS
Director

Note: Mr. Philip C Y Tsang is Registered Professional Surveyor who has over 30 years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUATIONS

Group I — Property held for development by the Group in the PRC

Group II — Property held for sale by the Group in the PRC

Group III — Property held for investment by the Group in the PRC

Property	Group I Market value in existing state as at 31 December 2022 <i>RMB</i>	Group II Market value in existing state as at 31 December 2022 <i>RMB</i>	Group III Market value in existing state as at 31 December 2022 <i>RMB</i>	Total Market value in existing state as at 31 December 2022 <i>RMB</i>
1. Castfast Villas Phase 4, No. 47-1, Jiahui Road, Youganpu Da Long Industry District, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮油甘埔大龍工業區嘉輝路47號-1嘉輝豪庭四期)	N/A	798,400,000	N/A	798,400,000
2. Castfast Villas Phase 5, No. 47-1, Jiahui Road, Youganpu Da Long Industry District, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮油甘埔大龍工業區嘉輝路47號-1嘉輝豪庭五期)	N/A	1,580,800,000	N/A	1,580,800,000
3. Louvre Mansion, Jin San Jiao Development Zone, Dongping Village, Zhangning Town, Boluo County, Huizhou City, Guangdong Province, the PRC (中國廣東省惠州市博羅縣長寧鎮東平村金三角開發區內地段羅浮公館)	N/A	240,700,000	N/A	240,700,000
4. Castfast Villas Phase 3, Youganpu Da Long Industry District, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮油甘埔大龍工業區嘉輝豪庭三期)	N/A	66,750,000	N/A	66,750,000
5. Unit 16A, Twilight Court, Unit 25B, Sunlight Court, Unit 25C, Skylight Court, Castfast Villas Phase 1, Longping Highway Guanjingtou Section, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮龍平公路官井頭段嘉輝豪庭一期雲輝閣25樓C號、日輝閣25樓B號、彩輝閣16樓A號)	N/A	8,910,000	N/A	8,910,000
6. Industrial Complex, Zhentiannan Road, Yantian, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮雁田鎮田南路工業園)	N/A	N/A	77,790,000	77,790,000
7. The parcel of land located at north to Fulong Bridge and west to Hefu Road, Hecheng Neighbourhood, Gaoming District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市高明區荷城街道富龍大橋以北、荷富路以西之土地)	155,260,000	N/A	N/A	155,260,000
Total:	155,260,000	2,695,560,000	77,790,000	2,928,610,000

VALUATION REPORT

Group II — Property held for sale by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2022												
1. Castfast Villas Phases 4, No. 47-1, Jiahui Road, Youganpu Da Long Industry District, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮油甘埔大龍工業區嘉輝路47號-1 嘉輝豪庭四期)	<p>Castfast Villas Phase 4 is a residential development, with 4 residential buildings, 2 commercial buildings and a car park basement erected on 2 parcels of commercial residential land with a total site area of 26,849.80 sq.m. completed in May 2021.</p> <p>According to the development scheme provided by the Group, Castfast Villas Phase 4 are developed as below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Uses</th> <th style="text-align: right;">GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>4 Residential Buildings</td> <td style="text-align: right;">50,125.25</td> </tr> <tr> <td>2 Commercial Buildings</td> <td style="text-align: right;">2,626.95</td> </tr> <tr> <td>Above-ground other supporting facilities</td> <td style="text-align: right;">2,044.05</td> </tr> <tr> <td>Basement 408 Car Parks and Basement other supporting facilities</td> <td style="text-align: right;">23,741.22</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">78,537.47</td> </tr> </tbody> </table>	Uses	GFA (sq.m.)	4 Residential Buildings	50,125.25	2 Commercial Buildings	2,626.95	Above-ground other supporting facilities	2,044.05	Basement 408 Car Parks and Basement other supporting facilities	23,741.22	Total:	78,537.47	As at the Valuation Date, the Property was vacant.	<p>RMB798,400,000 (RENMINBI SEVEN HUNDRED NINETY EIGHT MILLION FOUR HUNDRED THOUSAND)</p> <p>Please refer to the scope of valuation in Note 1 in next page.</p>
Uses	GFA (sq.m.)														
4 Residential Buildings	50,125.25														
2 Commercial Buildings	2,626.95														
Above-ground other supporting facilities	2,044.05														
Basement 408 Car Parks and Basement other supporting facilities	23,741.22														
Total:	78,537.47														
	<p>Castfast Villas Phase 4 is situated at No. 47-1, Jiahui Road, Youganpu Da Long Industry District, which is predominantly a residential area. Developments in the vicinity comprise mainly residential properties such as Castfast Villas Phase 1-3 (嘉輝豪庭1-3期), Longcheng Yajun (龍城雅郡) and Taoran Jun (陶然郡).</p> <p>According to the Company, Castfast Villas Phase 4 is planned for commercial, residential and car parking uses; there is no environmental issues and litigation dispute; there is no plan to change the use of Castfast Villas Phase 4.</p> <p>The land use rights of the Property have been granted for land use term due to expire on 29 December 2055 for commercial use and 29 December 2085 for residential use.</p>														

Notes:

- (1) According to the information of the Company, part of the residential units have been sold and handed over to the purchasers; our scope of valuation of Castfast Villas Phase 4 is as follow:

Buildings in Castfast Villas Phase 4	Current Status				(Excluded from valuation) Sold GFA and Handed Over	Pre-sold GFA	Un-sold GFA	(Scope of Valuation) Remaining Saleable
		GFA	Non-saleable GFA	Saleable GFA	Saleable GFA			
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)
		a=b+c	b	c=d+e+f	d	e	f	g=e+f
4 Residential Buildings	Completed	50,125.25	—	50,125.25	27,857.81	3,506.38	18,761.06	22,267.44
2 Commercial Buildings	Completed	2,626.95	—	2,626.95	—	—	2,626.95	2,626.95
Above-ground other supporting facilities	Completed	2,044.05	2,044.05	—	—	—	—	—
Basement 408 Car Parks and Basement other supporting facilities	Completed	23,741.22	18,639.47	5,101.75 (Basement 408 Car Parks)	—	—	5,101.75 (Basement 408 Car Parks)	5,101.75 (Basement 408 Car Parks)
Total		78,537.47	20,683.52	57,853.95	27,857.81	3,506.38	26,489.76	29,996.14

Other supporting facilities refer to ancillary uses such as staircases, lift shafts, corridors, management offices, plant rooms, roof and basement car park circulation road, etc.

- (2) According to land use rights certificate No. (2016) 39 & 40 dated 16 March 2016 issued by Dongguan Municipal People's Government, the land use rights of the Property with a total site area of 26,849.80 sq.m. have been vested in Dongguan Karrie Properties Development Co., Ltd* (東莞嘉創房地產開發有限公司) (“**Dongguan Karrie**”), a wholly-owned subsidiary of the Company, for land use term due to expire on 29 December 2055 for commercial use and 29 December 2085 for residential use.
- (3) According to land grant contract No. (2015) 17 & 18 dated 29 December 2015 by Dongguan Bureau of Land and Resources, the land use rights of the Property with a total site area of 26,849.80 sq.m. have been granted to Dongguan Karrie at a total land premium of RMB22,553,832 for land use term 40 years for commercial use and 70 years for residential use.
- (4) According to various real estate title certificates issued by Dongguan Municipal Natural Resources Bureau, the ownership of 488 residential units of part of the Property with a total GFA of 50,125.25 sq.m. and 40 commercial units of part of the Property with a total GFA of 2,626.95 sq.m. have been vested in Dongguan Karrie.
- (5) According to 8 construction works planning permits and 8 construction works commencement permits issued by Dongguan Housing and Urban-Rural Development Bureau, the construction works of Castfast Villas Phase 4 with a total GFA of 79,319.25 sq.m. are in compliance with the requirement of urban planning and have been permitted.
- (6) According to 3 pre-sale permit of commodity housing issued by Dongguan Housing and Urban-Rural Development Bureau, part of Castfast Villas Phase 4 with a total GFA of 31,440.17 sq.m. was permitted for pre-sale.

According to 3 permit of established commodity housing issued by Dongguan Housing and Urban-Rural Development Bureau, part of Castfast Villas Phase 4 with a total GFA of 21,359.36 sq.m. was permitted for selling as established status.

- (7) According to 8 completion certificates, 8 buildings in Phase 4 of Castfast Villas with a total GFA of 79,319.25 sq.m. were examined completion in 2021 respectively.
- (8) According to 8 measurement reports, 6 buildings in Phase 4 of Castfast Villas with a total GFA of 78,537.37 sq.m. and with a total saleable GFA of 57,853.95 sq.m. were examined in 2021 and 2022 respectively.
- (9) According to business licence No. 91441900077874275D dated 29 September 2019, Dongguan Karrie has been established as a limited company with a registered capital of USD60,000,000.
- (10) According to the PRC Legal Opinion:
- (i) Dongguan Karrie is a foreign-invested limited liability company established and validly existed in accordance with Chinese laws and has an independent corporate legal personality;
 - (ii) Dongguan Karrie is the development company of this project. It is a real estate development enterprise legally established and validly existed in accordance with Chinese laws. It legally possesses the qualifications of real estate development enterprise and has the right to develop and operate this project according to law;
 - (iii) The content of the land grant contract for this project is legal and valid, and is legally binding to the contracting parties;
 - (iv) The land grant fee for the land use rights of this project has been paid, Dongguan Karrie has legally obtained the land use rights certificate for this project;
 - (v) Dongguan Karrie has obtained the necessary permits, approvals and certificates for the development of this project; after verification, no such licenses, approvals, and certificates have been found to be revoked, modified, abolished, or revoked. Dongguan Karrie has legal rights to the development rights of this project; and
 - (vi) Part of the project is subject to a mortgage to Hang Seng Bank and the mortgage has been registered.
- (11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the opinion of the PRC legal advisor:

land use rights certificate	Yes
land grant contract	Yes
real estate title certificate	Yes (residential and commercial units)
construction land planning permit	Yes
construction works planning permit	Yes
construction works commencement permit	Yes
completion certificate	Yes
pre-sale permit	Yes (part)
permit of established commodity housing	Yes (part)
measurement report	Yes
business licence	Yes

- (12) In valuing the Property which is held in the PRC, we have adopted Market Comparison Method. We have made reference to some sales comparable to the Property and nearby development. The unit price of these comparable properties ranges from about RMB31,000 to RMB35,000 per sq.m. for residential units; RMB37,000 to RMB40,000 per sq.m. for commercial units; RMB110,000 to RMB125,000 per car park.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

- (13) As advised by the Group, as at the Valuation Date, various residential units of the Property with a total GFA of 3,506.38 sq.m. have been pre-sold at a total consideration of RMB96,306,000. We have included such portions and taken into account the consideration in our valuation.

VALUATION REPORT

Group II — Property held for sale by the Group in the PRC

	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2022										
2.	Castfast Villas Phase 5, No. 47-1, Jiahui Road, Youganpu Da Long Industry District, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮油甘埔大龍工業區嘉輝路47號-1嘉輝豪庭五期)	Castfast Villas Phase 5 is a residential development, with 8 residential buildings and a car park basement erected on a parcel of commercial residential land with a total site area of 35,013.97 sq.m. completed in November 2021. According to the development scheme provided by the Group, Castfast Villas Phase 5 are developed as below:	As at the Valuation Date, the Property was vacant.	RMB1,580,800,000 (RENMINBI ONE BILLION FIVE HUNDRED EIGHTY MILLION EIGHT HUNDRED THOUSAND) Please refer to the scope of valuation in Noted 1 in next page.										
		<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Uses</th> <th style="text-align: right;">GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>8 Residential Buildings</td> <td style="text-align: right;">69,269.82</td> </tr> <tr> <td>Above-ground other supporting facilities</td> <td style="text-align: right;">2,015.57</td> </tr> <tr> <td>Basement 820 Car Parks and Basement other supporting facilities</td> <td style="text-align: right;">30,727.22</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">102,012.61</td> </tr> </tbody> </table>	Uses	GFA (sq.m.)	8 Residential Buildings	69,269.82	Above-ground other supporting facilities	2,015.57	Basement 820 Car Parks and Basement other supporting facilities	30,727.22	Total:	102,012.61		
Uses	GFA (sq.m.)													
8 Residential Buildings	69,269.82													
Above-ground other supporting facilities	2,015.57													
Basement 820 Car Parks and Basement other supporting facilities	30,727.22													
Total:	102,012.61													

Castfast Villas Phase 5 is situated at No. 47-1, Jiahui Road, Youganpu Da Long Industry District, which is predominantly a residential area. Developments in the vicinity comprise mainly residential properties such as Castfast Villas Phase 1-3 (嘉輝豪庭1-3期), Longcheng Yajun (龍城雅郡) and Taoran Jun (陶然郡).

According to the Company, Castfast Villas Phase 5 is planned for commercial, residential and car parking uses; there is no environmental issues and litigation dispute; there is no plan to change the use of Castfast Villas Phase 5.

The land use rights of the Property have been granted for land use term due to expire on 29 December 2055 for commercial use and 29 December 2085 for residential use.

Notes:

- (1) According to the information of the Company, part of the residential units have been sold and handed over to the purchasers; our scope of valuation of Castfast Villas Phase 5 is as follow:

Buildings in Castfast Villas Phase 5	Current Status				(Excluded from valuation) Sold GFA and Handed Over	Pre-sold GFA	Un-sold GFA	(Scope of Valuation) Remaining Saleable
		GFA	Non-saleable GFA	Saleable GFA	GFA			GFA
		(sq.m.) a=b+c	(sq.m.) b	(sq.m.) c=d+e+f	(sq.m.) d	(sq.m.) e	(sq.m.) f	(sq.m.) g=e+f
8 Residential Buildings	Completed	69,269.82	—	69,269.82	19,115.41	5,208.06	44,946.35	50,154.41
Above-ground other supporting facilities	Completed	2,015.57	2,015.57	—	—	—	—	—
Basement 820 Car Parks and Basement other supporting facilities	Completed	30,727.22	20,739.89	9,987.33 (Basement 820 Car Parks)	—	—	9,987.33 (Basement 820 Car Parks)	9,987.33 (Basement 820 Car Parks)
Total		102,012.61	22,755.46	79,257.15	19,115.41	5,208.06	54,933.68	60,141.74

Other supporting facilities refer to ancillary uses such as staircases, lift shafts, corridors, management offices, plant rooms, roof and basement car park circulation road, etc.

- (2) According to land use rights certificate No. (2016)38 dated 16 March 2016 issued by Dongguan Municipal People's Government, the land use rights of the Property with a site area of 35,013.97 sq.m. have been vested in Dongguan Karrie Properties Development Co., Ltd* (東莞嘉創房地產開發有限公司) ("Dongguan Karrie"), a wholly-owned subsidiary of the Company, for land use term due to expire on 29 December 2055 for commercial use and 29 December 2085 for residential use.
- (3) According to land grant contract No. (2015)16 dated 29 December 2015 by Dongguan Bureau of Land and Resources, the land use rights of the Property with a site area of 35,013.97 sq.m. have been granted to Dongguan Karrie at a land premium of RMB29,411,735 for land use term 40 years for commercial use and 70 years for residential use.
- (4) According to 508 real estate title certificates issued by Dongguan Municipal Natural Resources Bureau, the ownership of 508 residential units of part of the Property with a total GFA of 67,385.97 sq.m. have been vested in Dongguan Karrie.
- (5) According to 9 construction works planning permits and 9 construction works commencement permits issued by Dongguan Housing and Urban-Rural Development Bureau, the construction works of Castfast Villas Phase 5 with a total GFA of 102,967.77 sq.m. are in compliance with the requirement of urban planning and have been permitted.
- (6) According to 8 pre-sale permit of commodity housing issued by Dongguan Housing and Urban-Rural Development Bureau, part of the Castfast Villas Phase 5 with a total GFA of 69,287.61 sq.m. was permitted for pre-sale.

- (7) According to 9 completion certificates, 9 buildings in Castfast Villas Phase 5 with a total GFA of 102,967.77 sq.m. were examined completion in 2021 and 2022 respectively.
- (8) According to 9 measurement reports, 8 buildings in Phase 5 of Castfast Villas with a total GFA of 102,012.61 sq.m. and with a total saleable GFA of 79,257.15 sq.m. were examined in 2021 and 2022 respectively.
- (9) According to business licence No. 91441900077874275D dated 29 September 2019, Dongguan Karrie has been established as a limited company with a registered capital of USD60,000,000.
- (10) According to the PRC Legal Opinion:
- (i) Dongguan Karrie is a foreign-invested limited liability company established and validly existed in accordance with Chinese laws and has an independent corporate legal personality;
 - (ii) Dongguan Karrie is the development company of this project. It is a real estate development enterprise legally established and validly existed in accordance with Chinese laws. It legally possesses the qualifications of real estate development enterprise and has the right to develop and operate this project according to law;
 - (iii) The content of the land grant contract for this project is legal and valid, and is legally binding to the contracting parties;
 - (iv) The land grant fee for the land use rights of this project has been paid, Dongguan Karrie has legally obtained the land use rights certificate for this project;
 - (v) Dongguan Karrie has obtained the necessary permits, approvals and certificates for the development of this project; after verification, no such licenses, approvals, and certificates have been found to be revoked, modified, abolished, or revoked. Dongguan Karrie has legal rights to the development rights of this project; and
 - (vi) Part of the project is subject to a mortgage to Hang Seng Bank and the mortgage has been registered.
- (11) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the opinion of the PRC legal advisor:
- | | |
|--|-----------------------------|
| land use rights certificate | Yes |
| land grant contract | Yes |
| real estate title certificate | Yes (508 residential units) |
| construction land planning permit | Yes |
| construction works planning permit | Yes |
| construction works commencement permit | Yes |
| completion certificate | Yes |
| pre-sale permit | Yes (part) |
| measurement report | Yes |
| business licence | Yes |
- (12) In valuing the Property which is held in the PRC, we have adopted Market Comparison Method. We have made reference to some sales comparable to the Property and nearby development. The unit price of these comparable properties ranges from about RMB31,000 to RMB35,000 per sq.m. residential units; RMB100,000 to RMB125,000 per car park.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

- (13) As advised by the Group, as at the Valuation Date, various residential units of the Property with a total gross floor area of 5,208.66 sq.m. have been pre-sold at a total consideration of RMB147,665,000. We have included such portions and taken into account the consideration in our valuation.

VALUATION REPORT

Group II — Property held for sale by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2022												
3. Louvre Mansion, Jin San Jiao Development Zone, Dongping Village, Zhangning Town, Boluo County, Huizhou City, Guangdong Province, the PRC (中國廣東省 惠州市博羅縣 長寧鎮東平村 金三角開發區內地段 羅浮公館)	<p>Louvre Mansion is a residential development, with a residential/commercial building and a car park basement erected on one parcel of residential land with a total site area of 4,798.00 sq.m. completed in August 2022.</p> <p>According to the development scheme provided by the Group, Louvre Mansion is planned as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Uses</th> <th style="text-align: right;">GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>1 Residential Building</td> <td style="text-align: right;">30,322.65</td> </tr> <tr> <td>L1-L2 Commercial</td> <td style="text-align: right;">3,971.58</td> </tr> <tr> <td>Above-ground Ancillary Area</td> <td style="text-align: right;">2,368.61</td> </tr> <tr> <td>Basement 74 Car Parks and Basement other supporting facilities</td> <td style="text-align: right;">8,358.45</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">45,021.29</td> </tr> </tbody> </table>	Uses	GFA (sq.m.)	1 Residential Building	30,322.65	L1-L2 Commercial	3,971.58	Above-ground Ancillary Area	2,368.61	Basement 74 Car Parks and Basement other supporting facilities	8,358.45	Total:	45,021.29	As at the Valuation Date, the Property was vacant.	RMB240,700,000 (RENMINBI TWO HUNDRED FORTY MILLION SEVEN HUNDRED THOUSAND)
Uses	GFA (sq.m.)														
1 Residential Building	30,322.65														
L1-L2 Commercial	3,971.58														
Above-ground Ancillary Area	2,368.61														
Basement 74 Car Parks and Basement other supporting facilities	8,358.45														
Total:	45,021.29														
			Please refer to the scope of valuation in Note 1 in next page.												

Louvre Mansion is located at the south of Guangshan Road, west of Yanfu Road, Boluo County, Huizhou City. Developments in the vicinity comprise mainly government buildings such as Changning County Government (長寧縣政府) and residential buildings.

According to the Company, the Property is planned for commercial, residential and car parking uses; there is no environmental issues and litigation dispute; there is no plan to change the use of the Property.

The land use rights of the Property have been granted for a term due to expire on 15 March 2057 for commercial use and due to expire on 15 March 2087 for residential use.

Notes:

- (1) According to the information of the Company, part of the residential units have been sold and handed over to the purchasers; our scope of valuation of Louvre Mansion is as follow:

Buildings in Louvre Mansion	Current Status	GFA (sq.m.) a=b+c	Non-saleable GFA (sq.m.) b	Saleable GFA (sq.m.) c=d+e+f	(Excluded from valuation) Sold GFA and Handed Over	Pre-sold GFA (sq.m.) e	Un-sold GFA (sq.m.) f	(Scope of Valuation) Remaining Saleable GFA (sq.m.) g=e+f
					(sq.m.) d			(sq.m.) Parks)
1 Residential Building	Completed	30,322.65	—	30,322.65	2,206.36	577.82	27,538.47	28,116.29
L1-L2 Commercial	Completed	3,971.58	—	3,971.58	—	—	3,971.58	3,971.58
Above-ground other supporting facilities	Completed	2,368.61	2,368.61	—	—	—	—	—
Basement 74 Car Parks and Basement other supporting facilities	Completed	8,358.45	5,298.42	3,060.03 (Basement 74 Car Parks)	—	—	3,060.03 (Basement 74 Car Parks)	3,060.03 (Basement 74 Car Parks)
Total		45,021.29	7,667.03	37,354.26	2,206.36	577.82	34,570.08	35,147.90

Other supporting facilities refer to ancillary uses such as staircases, lift shafts, corridors, management offices, plant rooms, roof and basement car park circulation road, etc.

- (2) According to real estate title certificate No. (2017) 0000417 dated 22 June 2017, the land use rights of the Property with a total site area of 4,798 sq.m. have been vested in Boluo County Jiayingli Real Estate Development Co., Ltd.* (博羅縣嘉盈利房地產開發有限公司) (“**Boluo Jiayingli**”) for land use term due to expire on 15 March 2057 for commercial use and 15 March 2087 for residential use.
- (3) According to land grant contract No. 441322-2017-000033 dated 3 March 2017, the land use rights of the Property with a site area of 4,798 sq.m. have been granted to Boluo Jiayingli at a land premium of RMB18,550,000 for land use term 40 years for commercial use and 70 years for residential use.
- (4) According to construction works planning permits No. 4413222018-1159 dated 3 September 2018, the construction works of the Property with a total GFA of 45,657.10 sq.m. are in compliance with the requirement of urban planning and have been permitted.
- (5) According to construction works commencement permits No. 441322201810120000 dated 12 October 2018, the construction works of Louvre Mansion with a total GFA of 45,657.10 sq.m. are in compliance with the requirement of work commencement and have been permitted.
- (6) According to Pre-sale Permit of Commodity Housing No. (2020)050 dated 3 July 2020, the Property with a GFA of 30,338.70 sq.m. was permitted for pre-sale.
- (7) According to 2 measurement reports, the property with a total GFA of 45,021.29 sq.m was examined in 2022.
- (8) According to business licence No. 91441322MA4W5K7D6 dated 4 January 2019, Boluo Jiayingli has been established as a limited company with a registered capital of RMB100,000,000.

- (9) According to the PRC Legal Opinion:
- (i) Boluo Jiayingli is a foreign-invested limited liability company established and validly existed in accordance with Chinese laws and has an independent corporate legal personality;
 - (ii) Boluo Jiayingli is the development company of this project. It is a real estate development enterprise legally established and validly existed in accordance with Chinese laws. It legally possesses the qualifications of real estate development enterprise and has the right to develop and operate this project according to law;
 - (iii) The content of the land grant contract for this project is legal and valid, and is legally binding to the contracting parties;
 - (iv) The land grant fee for the land use rights of this project has been paid, Boluo Jiayingli has legally obtained the land use rights certificate for this project;
 - (v) 博羅縣嘉盈利房地產開發有限公司 has obtained the necessary permits, approvals and certificates for the development of this project; after verification, no such licenses, approvals, and certificates have been found to be revoked, modified, abolished, or revoked. Boluo Jiayingli has legal rights to the development rights of this project; and
 - (vi) The land use right of the project has not been set up mortgage, seal up or other third-party rights that may substantially affect the profitability of Boluo Jiayingli to own or dispose of such land-use rights.
- (10) The status of the title and grant of major approvals and licenses in accordance with the information provided by the Group and the opinion of the PRC legal advisor:

real estate title certificate	Yes (land)
land grant contract	Yes
construction land planning permit	Yes
construction works planning permit	Yes
construction works commencement permit	Yes
pre-sale permit	Yes (part)
measurement report	Yes
business licence	Yes

- (11) In valuing the Property which is held in the PRC, we have adopted Market Comparison Method. We have made reference to some sales comparable to the Property and nearby development. The unit price of these comparable properties ranges from about RMB16,000 to RMB18,000 per sq.m. for commercial units; RMB7,100 to RMB7,800 per sq.m. for residential units; RMB75,000 to RMB92,000 per car park.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

- (12) As advised by the Group, as at the Valuation Date, various residential units of the Property with a total GFA of 577.82 sq.m. have been pre-sold at a total consideration of RMB3,906,000. We have included such portions and taken into account the consideration in our valuation.

VALUATION REPORT

Group II — Property held for sale by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2022
4. Castfast Villas Phase 3, Youganpu Da Long Industry District, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮油甘埔大龍工業區嘉輝豪庭三期)	<p>Castfast Villas Phase 3 is a residential development which has developed on a parcel of commercial residential land with a total site area of 32,799.80 sq.m.. The Property Development Project has been completed and there are 17 unsold residential units.</p> <p>The Property comprises 17 residential units of Castfast Villas Phase 3 completed in 2018.</p>	As at the Valuation Date, the unsold units of the Property were vacant and the remaining portion of the Property was in the possession of various third parties.	RMB66,750,000 (RENMINBI SIXTY SIX MILLION SEVEN HUNDRED FIFTY THOUSAND)
	<p>GFA (sq.m.)</p> <p>Pre-sold 6 Residential Units 634.04</p> <p>Unsold 11 Residential Units 1,782.75</p> <hr/> <p>Grand Total of Group I and II: 2,416.79</p> <hr/>		

The Property is located at the Youganpu Da Long Industrial District, Fenggang Town, Dongguan City. Developments in vicinity comprise mainly residential properties such as Castfast Villas Phase 1-2 (嘉輝豪庭1-2期), Longcheng Yajun (龍城雅郡) and Taoran Jun (陶然郡).

According to the Company, the Property is for residential use; there is no environmental issues and litigation dispute; there is no plan to change the use of the Property.

The land use rights of the Property have been granted for land use term due to expire on 23 December 2084 for residential use.

Notes:

- (1) According to the information of the Company, part of the residential units have been sold and handed over to the purchasers; our scope of valuation of Castfast Villas Phase 3 is as follow:

Units in Castfast Villas Phase 3	Current Status	Non-saleable			(Excluded from valuation) Sold GFA and Handed Over	Pre-sold GFA	Un-sold GFA	(Scope of Valuation) Remaining
		GFA	GFA	Saleable GFA	Saleable GFA			
		(sq.m.) a=b+c	(sq.m.) b	(sq.m.) c=d+e+f	(sq.m.) d	(sq.m.) e	(sq.m.) f	(sq.m.) g=e+f
Units in Castfast Villas Phase 3	Completed	3,684.54 (26Units)	— b	3,684.54 (26Units)	1,267.75 (9Units)	634.04 (6Units)	1,782.75 (11Units)	2,416.79 (17Units)

The total GFA of 3,684.54 sq.m. represents the total GFA of 26 unsold units of Castfast Villas Phase 3 upon the completion of the acquisition of Dongguan City Jiaxuntong Computer Products Limited* (東莞市嘉訊通電腦產品有限公司) (“**Dongguan City Jiaxuntong**”). Immediately prior to the Corporate Division of Dongguan City Jiaxuntong which was held on 26 November 2021, the total saleable GFA and number of units remained were 3,684.54 sq.m. and 26 units respectively. Upon the Corporate Division of Dongguan City Jiaxuntong, the interest in these 26 unsold units were transferred to the Group.

- (2) According to land use rights certificate dated 12 November 2015 issued by Dongguan Municipal People’s Government, the land use rights of a parcel of land with a site area of 32,799.80 sq.m. have been vested in Dongguan City Jiaxuntong for land use term due to expire on 23 December 2084 for residential use.
- (3) According to 17 real estate title certificates dated 25 July 2019 issued by Dongguan Housing and Urban Rural Development Bureau, the ownership of the Property with a total GFA of 2,416.79 sq.m. have been vested in Dongguan City Jiaxuntong for residential use.
- (4) As advised by the Company, as at the Valuation Date, 6 residential units of the Property with a total GFA of 634.04 sq.m. have been pre-sold at a total consideration of approximately RMB14,059,000. We have included such portions and taken into account the consideration in our valuation.
- (5) According to business licence No. 91441900725081215D dated 3 March 2022, Dongguan City Jiaxuntong has been established as a limited company with a registered capital of RMB50,000,000.
- (6) According to the PRC Legal Opinion:
- (i) Dongguan City Jiaxuntong has obtained real estate title certificate and legally owns the ownership of the unsold 11 residential units;
 - (ii) there are no seizure, mortgage or other form of rights restriction on the ownership of the unsold 11 residential units; and
 - (iii) Dongguan City Jiaxuntong has the right to possess, use, lease, transfer, mortgage, or otherwise dispose of the unsold 11 residential units in accordance with the law.

- (7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the opinion of the PRC legal advisor:

land use rights certificate	Yes
real estate title certificate (residential units)	Yes
business licence	Yes

- (8) In valuing the Property in which is held in the PRC, we have adopted Market Comparison Method. We have made reference to some sales comparable to the Property and nearby development. The unit price of these comparable properties ranges from about RMB25,000 to RMB32,000 per sq.m. for residential units.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

VALUATION REPORT

Group II — Properties held for sale by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2022
5. Unit 16A, Twilight Court, Unit 25B, Sunlight Court, Unit 25C, Skylight Court, Castfast Villas Phase 1, Longping Highway Guanjingtou Section, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省 東莞市鳳崗鎮 龍平公路官井頭段 嘉輝豪庭一期 雲輝閣25樓C號 日輝閣25樓B號 彩輝閣16樓A號)	<p>Castfast Villas is a residential development in various phases. The Property comprises 3 residential units of Castfast Villas Phase 1 completed in 2004.</p> <p>The Property have a total GFA of 456.93 sq.m..</p> <p>The Property is located at Castfast Villas Phase 1, Fenggang Town, Dongguan. Developments in vicinity comprise mainly residential properties such as Castfast Villas Phase I-II (嘉輝豪庭1-2期), Longcheng Yajun (龍城雅郡) and Taoran Jun (陶然郡).</p> <p>According to the Company, the Property is for residential use; there is no environmental issues and litigation dispute; there is no plan to change the use of the Property.</p> <p>The land use rights of the Property have been granted for land use term due to expire on 14 October 2062 for commercial residential use.</p>	<p>As at the Valuation Date, the Property was vacant.</p>	<p>RMB8,910,000 (RENMINBI EIGHT MILLION NINE HUNDRED TEN THOUSAND)</p>

Notes:

- (1) According to 3 real estate title certificates dated 31 December 2005 issued by Dongguan Municipal People's Government, the land use rights of the Property have been granted for land use term due to expire on 14 October 2062 for commercial residential use; the building ownership of the Property with a total GFA of 456.93 sq.m. have been vested in Kwong Hing Computer Metallic Components Limited* (廣興電腦金屬配件有限公司) for residential use.
- (2) According to business licence No. 07596157-000-12-19-0, Kwong Hing Computer Metallic Components Limited (廣興電腦金屬配件有限公司) has been established in Hong Kong as a limited company.
- (3) According to the PRC Legal Opinion:
- (i) Kwong Hing Computer Metallic Components Limited* (廣興電腦金屬配件有限公司) has obtained 3 real estate title certificate and legally owns the ownership of the 3 residential units;
 - (ii) there are no seizure, mortgage or other form of rights restriction on the ownership of the 3 residential units; and
 - (iii) Kwong Hing Computer Metallic Components Limited* (廣興電腦金屬配件有限公司) has the right to possess, use, lease, transfer, mortgage, or otherwise dispose of the 3 residential units in accordance with the law.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the opinion of the PRC legal advisor:
- | | |
|-------------------------------|-----|
| real estate title certificate | Yes |
| business licence | Yes |
- (5) In valuing the Property which is held in the PRC, we have adopted Market Comparison Method. We have made reference to some sales comparable to the Property and nearby development. The unit price of these comparable properties ranges from about RMB20,000 to RMB20,600 per sq.m. for residential units.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

VALUATION REPORT

Group III — Property held for investment by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2022
<p>6. Industrial Complex, Zhentiannan Road, Yantian, Fenggang Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市鳳崗鎮雁田鎮田南路工業園)</p>	<p>The Property comprises an industrial complex with 9 Factories, 3 warehouses, 1 training centre, 1 generator room and 1 security post erected on 2 parcels of industrial land with a total site area of 23,862 sq.m.. The buildings were completed during 1987 to 1992 respectively.</p> <p>The Property have a total GFA of 55,262.26 sq.m..</p> <p>The Property is located at the west of Zhentiannan Road, Fenggang Town, Dongguan. Developments in vicinity comprise mainly residential properties such as Fengtian Garden (豐田花園), Cuihu Xinyuan (翠湖新苑) and Cuihu Haoting (翠湖豪庭).</p> <p>According to the Company, the Property is for industrial uses; there is no environmental issues and litigation dispute; the Company plans to change the use of the Property from industrial to residential use, however, the related government approval for such change of land use is yet to be obtained.</p> <p>The land use rights of the Property have been granted for a land use term from 15 October 1996 to October 2046 for industrial plant and supporting facilities.</p>	<p>As at the Valuation Date, portion of the Property, with a total GFA of 1,867 sq.m., was subject to a connected party tenancy due to expire on 31 March 2023. Portion of the Property, with a total GFA of 3,913 sq.m., is subject to 4 third parties tenancies due to expire on 31 March 2023 respectively. Most of the remaining portion of the Property was vacant.</p>	<p>RMB77,790,000 (RENMINBI SEVENTY SEVEN MILLION SEVEN HUNDRED NINETY THOUSAND)</p>

Notes:

- (1) According to 2 land use rights certificate dated 29 October 1996 issued by Dongguan Municipal People's Government, the land use rights of the Property with a total site area of 23,862 sq.m. have been granted to Castfast Industrial (Yan Tien) Limited* (雁田嘉輝塑膠五金廠有限公司) ("Castfast Industrial"), a wholly-owned subsidiary of the Company, for a land use term from 15 October 1996 to October 2046 for industrial plant and supporting facilities.
- (2) According to 15 real estate title certificates dated 29 October 1996 issued by Dongguan Municipal People's Government, the building ownership of the Property with a total GFA of 55,262.26 sq.m. have been vested in Castfast Industrial.
- (3) According to business licence No. 11988978-000-09-19-6, Castfast Industrial has been established in Hong Kong as a limited company.
- (4) According to the PRC Legal Opinion:
- (i) Castfast Industrial has obtained the corresponding real estate title certificates and legally owns the ownership of the land use rights and the buildings;
 - (ii) the above-mentioned land use rights and buildings ownership are not subject to seal-up, mortgage or other restrictions on other rights; and
 - (iii) Castfast Industrial has the right to legally occupy, use, lease, transfer, mortgage or dispose of such land use rights and buildings in other legal ways.
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group and the opinion of the PRC legal advisor:
- | | |
|-------------------------------|-----|
| land use rights certificate | Yes |
| real estate title certificate | Yes |
| business licence | Yes |
- (6) In valuing the Property which is held in the PRC, in the absence of relevant market data to arrive at the market value of the Property by means of market-based evidence, we have valued the Property by Depreciated Replacement Cost Method. It requires a valuation of the market value of the land in its existing use by Market Comparison Method by making reference to comparable sales evidence as available in the relevant market. We have made reference to some sales comparable in the nearby development.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

VALUATION REPORT

Group I — Property held for development by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2022												
7. The parcel of land located at north to Fulong Bridge and west to Hefu Road, Hecheng Neighbourhood, Gaoming District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市高明區荷城街道富龍大橋以北、荷富路以西之土地)	The Property comprises one parcel of mainly residential land with a total site area of approximately 34,447.69 sq.m. According to the development scheme provided by the Group, the Property is planned as below: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Uses</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">90,751.54</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">2,578.99</td> </tr> <tr> <td>Carpark</td> <td style="text-align: right;">32,718.00</td> </tr> <tr> <td>Other support facilities</td> <td style="text-align: right;">5,423.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">131,471.53</td> </tr> </tbody> </table>	Uses	Gross Floor Area (sq.m.)	Residential	90,751.54	Commercial	2,578.99	Carpark	32,718.00	Other support facilities	5,423.00	Total:	131,471.53	As at the Valuation Date, the Property was a vacant land pending development.	RMB155,260,000 (RENMINBI ONE HUNDRED FIFTY FIVE MILLION TWO HUNDRED SIXTY THOUSAND) (100% interest attributable to the Group: RMB155,260,000)
Uses	Gross Floor Area (sq.m.)														
Residential	90,751.54														
Commercial	2,578.99														
Carpark	32,718.00														
Other support facilities	5,423.00														
Total:	131,471.53														

The Property is located at north to Fulong Bridge and west to Hefu Road, Hecheng Neighbourhood, Gaoming District, Foshan City; where the planned Pearl Delta River International Airport is scheduled to be located at along with other large-scale transport infrastructures expected to be developed for the region. Developments in the vicinity comprise mainly industrial parks and land to be developed.

According to the Company, the Property is planned for commercial, residential and car parking uses; there is no environmental issues and litigation dispute; there is no plan to change the use of the Property.

Foshan Natural Resources Bureau agreed to grant the land use rights of the Property for residential use with a term of 70 years, compatible with retail commercial, wholesale market, catering, hotel and business and financial use with a term of 40 years.

Notes:

(1) According to the information of the company, our scope of valuation of the Property is as follows:

Buildings	Current Status	Non-saleable		Saleable		(Scope of Valuation)
		GFA	GFA	GFA	GFA	Saleable GFA
		(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)	(sq.m.)
		a=b+c	b	c	d=c	
Residential	Vacant land	90,751.54	—	90,751.54	90,751.54	90,751.54
Commercial	Vacant land	2,578.99	—	2,578.99	2,578.99	2,578.99
Basement 861 Car Parks	Vacant land	32,718.00	—	32,718.00	32,718.00	32,718.00
Other support facilities	Vacant land	5,423.00	5,423.00	—	—	—
Total		131,471.53	5,423.00	126,048.53	126,048.53	126,048.53

(2) According to contract for grant of state-owned land use rights No. 440608-2022-000033 dated 1 April 2022 entered into with Foshan Natural Resources Bureau (佛山市自然資源局), Foshan Natural Resources Bureau agreed to grant the land use rights of the Property to Foshan Jiahe Properties Development Co., Ltd.* (佛山嘉荷房地產開發有限公司) (“**Foshan Jiahe**”), a wholly-owned subsidiary of the Company.

Lot No.:	44060800401141
Site Area:	34,447.69 sq.m.
Land Grant Fee:	RMB155,260,000
Payment Term:	50% before 25 April 2022 — RMB77,630,000 50% before 27 March 2023 — RMB77,630,000
Land Use Term:	For residential use with a term of 70 years, compatible with retail commercial, wholesale market, catering, hotel and business and financial use with a term of 40 years
Plot Ratio:	2.8
Total Plot Ratio Gross Floor Area:	96,453.53 sq.m.
Land Handover Date:	Before 25 June 2022
Building Covenant:	To commence the construction before 25 June 2023 To complete the construction before 25 June 2026

(3) According to business licence No. 9140608MA7JT1RN8C dated 11 March 2022, Foshan Jiahe has been established as a limited company with a registered capital of RMB100,000,000.

(4) According to the PRC Legal Opinion:

- (i) Foshan Jiahe is a foreign-invested limited liability company established and validly existing in accordance with Chinese laws and has an independent corporate legal personality;
- (ii) Foshan Jiahe is the development company of this project. It is a real estate development enterprise legally established and validly existing in accordance with Chinese laws. It legally possesses the qualifications of real estate development enterprise and has the right to develop and operate this project according to law;
- (iii) The content of the contract for grant of state-owned land use rights for this project is legal and valid, and is legally binding to the contracting parties; and

- (iv) 50% of the land grant fee for the land use rights of this project has been paid. According to the contract for grant of state-owned land use rights, Foshan Jiahe can apply for the real estate title certificate only after all the land grant fee has been paid.
- (5) The status of the title and grant of major approvals and licenses in accordance with the information provided by the Group and the opinion of the PRC legal adviser:

real estate title certificate	No
contract for grant of state-owned land use rights	Yes
business licence	Yes

- (6) In valuing the Property which is held for development in the PRC, we have adopted Market Comparison Method. We have made reference to some land sales comparable in the nearby land. The unit price of these comparable land ranges from about RMB18,000 to RMB27,500 per sq.m. for land accommodation value.

The land sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable land. The general basis of adjustment is if the Property is better than the comparable land, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable land, a downward adjustment is made.