



中寧評估有限公司  
Stirling Appraisals Limited

## PROPERTY VALUATION

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Prepared for

**Champion Technology Holdings Limited**

Date of Valuation : 31 March 2023

Report released on : 27 June 2023

Our Reference : FL/PV/03380523-23



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Our Ref.: FL/PV/03380523-23

27 June 2023

The Board of Directors  
**Champion Technology Holdings Limited (the "Company")**  
Units 4214-15, 42/F,  
Hong Kong Plaza,  
No.188 Connaught Road West,  
Hong Kong

Dear Sirs,

## **INSTRUCTIONS**

We refer to the instructions from Champion Technology Holdings Limited (the "Company") for us to value the property held by the Company and / or its subsidiaries (together referred to as the "Group") located in the People's Republic of China (the "PRC"). We confirm that we have conducted an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 March 2023 (the "valuation date").

## **BASIS OF VALUATION**

The valuation is our opinion of Market Value which we would define 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."

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.



## **VALUATION METHODOLOGY**

In valuing the property, we have adopted the investment method whereby the rentals receivable during the term of the tenancy are capitalised at appropriate yield with due allowance for the reversionary value upon expiry of tenancy.

## **TITLE INVESTIGATION**

We have been provided with copies of title & legal documents and have been advised by the Company that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copy handed to us. In the course of our valuation, we have relied upon the advice and information given by the Company's PRC legal adviser – Grandall Law Firm (Shenzhen) (國浩律師(深圳)事務所) regarding the title of the property located in the PRC. All documents have been used for reference only.

## **VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the property is sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the property. In addition, no account has been taken of any option or right of pre-emption concerning or effecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

In valuing the property, we have assumed that the property owner has valid and enforceable title to the property which is freely transferable, and has free and uninterrupted rights to use the same, for the whole of the unexpired term granted subject to the payment of annual Government rent / land use fees and all requisite land premium / purchase consideration payable have been fully settled.



## **VALUATION CONSIDERATIONS**

The inspection of the property has been conducted on 27 May 2023 by Mr. Anson Ma (Master Degree in Commerce). We have gained access to the property and have inspected the three buildings of the property which are being maintained in average physical condition (including walls or ceilings condition). We were advised that the property is connected with all usual main services including water, electricity and telecommunication. We have accordingly assumed that the property is connected with all usual main services including water, electricity and telecommunication. We would comment generally that the overall property appears to be in average condition commensurate with their respective use and age. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are not able to report as to whether the property is free from rot, infestation or any other structural defect. No test has been carried out to any of the services. We have assumed in our valuation that the property is in good structural condition at the valuation date.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identifications of the property and all other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the property but have assumed that the floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your advice that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for any expenses or taxation, which may be incurred in effecting a sale or purchase.



Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

Our valuation has been prepared in accordance with the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors and the International Valuation Standards (IVS) published by The International Valuation Standards Council.

Our valuation has been prepared under the generally accepted valuation procedures and are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **REMARKS**

Unless otherwise stated, all money amounts stated herein are in Renminbi (RMB) and no allowance has been made for any exchange transfers.

The summary of value and the valuation certificate are attached herewith.

Yours faithfully,  
For and on behalf of  
**Stirling Appraisals Limited**

A handwritten signature in black ink, appearing to read "Man C.M. Lam", is written over a horizontal line.

**Man C.M. Lam**  
*MHKIS, RPS(G.P.)*  
**Associate Director**

*Note:*

*Mr Man C.M. Lam is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 15 years' experience in valuations of properties in the People's Republic of China.*



## SUMMARY OF VALUE

### Property held for investment by the Group in the PRC

<b>Property</b>	<b>Market Value in existing state as at 31 March 2023 RMB</b>
Metropolitan Yijing Hotel – Dongguan (東莞新都會怡景酒店), No. 6 Huanshi East Road, Lianhu District, Tangxia Town, Dongguan City, Guangdong Province, The PRC	35,000,000
<b>Total:</b>	<hr/> <b>35,000,000</b> <hr/>



## VALUATION CERTIFICATE

### 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 March 2023 RMB
<p>Metropolitan Yijing Hotel – Dongguan (東莞新都會怡景酒店), No. 6 Huanshi East Road, Lianhu District, Tangxia Town, Dongguan City, Guangdong Province, The PRC</p>	<p>The property comprises 2 land parcels with a total site area of approximately 25,235.6 sq.m. together with a hotel development (253 guest rooms and suites) completed in about 2000s erected thereon.</p> <p>The hotel development also includes various function rooms, business conference room, karaoke room, table-tennis room, fitness centre etc. It can be used for various social and business events, and able to accommodate over 200 guests</p> <p>The total gross floor area (“GFA”) of the property is approximately 38,873.44 sq.m.</p> <p>The land use rights of the property were held for terms with the latest expiry date on 24 September 2043 for commercial use.</p>	<p>As advised, the property was occupied for hotel purposes as at the valuation date.</p>	<p>35,000,000</p>

**Notes:**

1. The property is located in Dongguan City of Guangdong Province, which is about 50 minutes’ driving distance to Shenzhen Baoan International Airport. The immediate locality is a composite residential / commercial area.



2. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用證), Dong Fu Guo Yong (1992) Di Te No. 100 (東府國用(1992)第特 100 號), issued by Dongguan City State-owned Land Resource Bureau (東莞市國土資源局) dated 15 December 2003, the land use rights of a land parcel of the property with a site area of approximately 13,095.3 sq.m. (the “Land Parcel A”) have been granted to Dongguan Golden Field Yijing Hotel Limited (東莞新金城怡景酒店有限公司) (“Golden Field Yijing”) for a terms expiring on 10 December 2032 for commercial use.
3. Pursuant to a State-owned Land Use Rights Certificate (國有土地使用證), Dong Fu Guo Yong (2003) Di Te No. 684 (東府國用(2003)第特 684 號), issued by Dongguan City State-owned Land Resource Bureau (東莞市國土資源局) dated 10 December 2003, the land use rights of the remaining land parcel of the property with a site area of approximately 12,140.30 sq.m. have been granted to Golden Field Yijing for a terms expiring on 24 September 2043 for commercial use.
4. Pursuant to 3 Real Estate Title Certificates, Yue Fang Chan Zheng Zi Di Nos. C4285740, C4285741 and C4285742 (粵房產証字第 C4285740, C4285741 及 C4285742 号), the building ownership rights of the buildings of the property with a total GFA of approximately 38,873.44 sq.m., erected on the Land Parcel A, were held by Golden Field Yijing.
5. Pursuant to an operating contract dated 15 April 2002 and its supplement agreement, the property was leased to Excellent Base Dynast Company Limited (展基皇朝有限公司) for a term expiring on 10 March 2033 at an annual rent of RMB3,900,000.

6. Our valuation has been made on the following basis and analysis:

Capitalization rate*	5.5%
Present Value of the term	Approximately RMB30,700,000
Present Value of the reversion	Approximately RMB4,300,000

*\* Capitalization rate has referenced recent trades in the property market. Capitalization rate of 5.5% was adopted for the reversion period until 24 September 2043 and such capitalization rate were calculated based on professional judgment and internal market research data. According to our research data, the capitalization rate for first-tier cities in the PRC is at around 5%. Taking into account the difference in maturity level of city development, an upward adjustment of 0.5% has been made and capitalization rate at 5.5% was adopted in our valuation. Since the property is subject to stable rental income for a term, we are of the view that the investment method is an appropriate valuation method for the property.*

7. The opinion of the PRC legal adviser to the Group contains, inter alia, the following:
  - (a) Golden Field Yijing is the legal owner of the property;
  - (b) Golden Field Yijing has the rights to use, lease, mortgage, transfer or otherwise dispose of the property in the market;
  - (c) The property is not subject to mortgage or any other material encumbrances;
  - (d) All land premium and other relevant fees have been settled in full; and
  - (e) Golden Field Yijing has obtained the title certificates stated in Notes 2 to 4.